



ASSOCIATION
OF AMERICAN
RAILROADS

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Senior Vice President - Policy & Economics



March 5, 2010

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW.
Washington, DC 20423-0001

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Dear Ms. Quinlan:

This submission is the AAR forecast of the second quarter 2010 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2010-2) *Quarterly Rail Adjustment Factor*. The versions of RCAF-related indices covered in this filing are: the All-Inclusive Index (initiated in the second quarter of 1985), the Unadjusted RCAF (produced since October 1982), the Adjusted RCAF (first published in the second quarter of 1989), and the RCAF-5 (created by the STB in its Ex Parte No. 290 (Sub-No. 7) decision served October 3, 1996). The table below summarizes the second quarter 2010 results on the fourth quarter 2007 base, and shows the percentage changes from the previous quarter.

	<u>2010Q1</u>	<u>2010Q2</u>	<u>% Change</u>
All-Inclusive Index	104.5	104.4	-0.1
Preliminary RCAF	1.045	1.044	-0.1
Forecast Error Adjustment	-0.007	0.016	
RCAF (Unadjusted)	1.038	1.060	2.1
Productivity Adjustment Factor	2.2204	2.2286 *	
RCAF (Adjusted)	0.467	0.476 *	1.9
PAF-5	2.3415	2.3502	
RCAF-5	0.443	0.451	1.8

* Could be revised if the STB releases a productivity adjustment figure based on 2004 through 2008 data. Original decision's effective date was postponed. See page 5 of report.

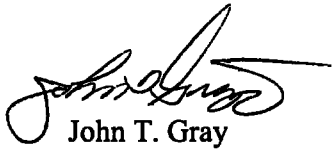
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March 5, 2010

In its October 3, 1996 decision in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*, the STB noted its intent to publish, in addition to the RCAF (Unadjusted) and RCAF (Adjusted), an RCAF-5 (i.e., a calculation of the productivity adjusted RCAF values as if the agency had always used a 5-year rolling average to calculate the productivity adjustment). In response to a request by STB staff, the AAR is including a calculation of the RCAF-5 in its quarterly RCAF filing. The AAR and its members, however, do not believe the publication of a third RCAF index is required or permitted by the applicable statute (49 U.S.C. § 10708) and do not endorse its publication.

Two copies of the quarterly non-proprietary workpapers underlying this submission are filed herewith, in accordance with the ICC's order in Ex Parte No. 290 (Sub-No. 2), *Railroad Cost Recovery Procedures*, served February 8, 1990. A third copy of the working papers has been delivered to Paul Aguiar in the STB office handling this proceeding. All workpapers are available for STB inspection. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Gray", with a stylized flourish extending from the end of the signature.

John T. Gray

Attachments

**Second Quarter 2010
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2010-2)

**Quarterly Rail Cost Adjustment Factor
Surface Transportation Board**

**Policy and Economics Department
Association of American Railroads**

March 5, 2010

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Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, employs the All-Inclusive Index as required by the regulations. Also presented in this submission is the RCAF, both Adjusted and Unadjusted, as required by the ICC in its decision in Ex Parte No. 290 (Sub-No. 4), *Rail Cost Recovery Procedures - Productivity Adjustment*, served March 24, 1989. In addition, the AAR has included (but does not endorse) the RCAF-5, which was instituted by an STB decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. This quarter's projection of railroad costs is for the second quarter 2010.

Index Weights

In the Ex Parte No. 290 (Sub-No. 2) final rules, issued in April 1981, the Interstate Commerce Commission mandated that the weights of each major cost component be updated annually. These "external" weights are calculated using data from Schedules 410 and 210 of the R-1 annual report filed with the Surface Transportation Board by the Class I railroads. The weights are typically updated with the fourth quarter projection.

The 2008 (current) and 2007 (previous) weights are shown below. The previous (2007) weights were used for the fourth quarter of 2008 through the third quarter of 2009. Beginning with the fourth quarter of 2009, the 2008 weights are used. Comparing 2008 to 2007, the weight for Fuel continued to go up as expected, increasing from 20.3 to 25.2 percent. Although fuel prices were falling at the end of 2008, they were up significantly for the first half of the year, and achieved record highs. The weight for Labor decreased 2.6 percentage points, even though Labor expenses increased in 2008, because the increase in Labor expenses was dwarfed by the huge increase in Fuel expenses. All other changes in weights were by less than 1 percentage point.

RCAF Weights		
	Previous 2007	Current 2008
Labor	32.8 %	30.2 %
Fuel	20.3	25.2
Materials & Supplies	5.0	5.1
Equipment Rents	7.2	6.3
Depreciation	11.0	10.4
Interest	2.7	2.3
Other	21.0	20.5

Reweightings of the index is accomplished by calculating both the current quarter (normally the fourth) and prior (normally the third) quarter indexes with the new weights. The relative change between the two quarters is then multiplied times the prior quarter (usually the third) *linked* index. Use of this method ensures that the weight change, by itself, does not cause a change in the level of the All-Inclusive Index.

Internal weights in the labor and equipment rents components are updated at the same time as the external weights. When these weights are changed, they are also linked using the procedure described above in order to eliminate the effect of the change in weighting.

All-Inclusive Index Second Quarter 2010

The components and values of the current and previous All-Inclusive Indexes are shown below. Details of the construction of each component of the index are contained in the Appendices.

	2008 Weights	Forecast		Percent Change
		Previous 2010Q1	Current 2010Q2	
1. Labor	30.2%	356.9	357.3	0.1 %
2. Fuel	25.2%	262.6	255.2	-2.8
3. M&S	5.1%	242.7	240.2	-1.0
4. Equipment Rents	6.3%	198.7	201.6	1.5
5. Depreciation	10.4%	203.3	204.3	0.5
6. Interest	2.3%	83.9	83.9	0.0
7. Other	20.5%	199.8	207.3	3.8
8. Weighted Average				
a. 1980 = 100		262.9	262.8	
b. 1980 = 100 (linked)		256.9	256.8 ¹	
c. 4Q07 = 100		104.5	104.4 ²	-0.1

¹ To calculate the 1980 = 100 Linked Index:

$$\begin{aligned} \text{Index}_{80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\ &= (262.8 / 262.9) \times 256.9 \\ &= 256.8 \end{aligned}$$

² To calculate the 4Q07 = 100 index:

$$\begin{aligned} \text{Index}_{4Q07} &= (\text{Current Linked Index} / 4Q07 \text{ Linking Factor}) * 100 \\ &= 256.8 \text{ divided by } 245.9 \text{ times } 100 \\ &= 104.4 \end{aligned}$$

Indexes based on other periods:

- 4Q02 based index = $256.8 / 192.1 \times 100 = 133.7$
- 4Q97 based index = $256.8 / 173.2 \times 100 = 148.3$
- 4Q92 based index = $256.8 / 156.9 \times 100 = 163.7$
- 4Q87 based index = $256.8 / 132.2 \times 100 = 194.3$

Forecast vs. Actual All-Inclusive Index Fourth Quarter 2009

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the fourth quarter actual index of 101.4 is 1.6 index points above the forecast value of 99.8. Therefore, the forecast error adjustment for second quarter 2010 is 1.6 index points.

	2008 Weights	Fourth Quarter 2009		Amt Difference
		Forecast	Actual	
1. Labor	30.2%	344.8	344.8	
2. Fuel	25.2%	234.4	244.0	
3. M&S	5.1%	238.8	238.8	
4. Equipment Rents ¹	6.3%	197.9	198.8	
5. Depreciation	10.4%	198.9	203.5	
6. Interest	2.3%	83.9	83.9	
7. Other	20.5%	198.7	199.9	
8. Weighted Average				
a. 1980 = 100		251.2	254.4	
b. 1980 = 100 (linked)		245.5	249.4 ²	
c. 4Q07 = 100 ³		99.8	101.4	1.6

Forecast error **—————> 1.6 index points**

Note: The standard linking procedure has been used to eliminate any changes to indexes that would be caused by updating weights. The Q3 unlinked weighted averages for the All-Inclusive Indexes (forecast and actual) and for Equipment Rents (forecast and actual) were recalculated using the new (2008) weights.

¹	2008 Weights	Fourth Quarter 2009	
		Forecast	Actual
Car-Hire	43.9%	185.5	185.5
Lease Rentals	56.1%	198.7	199.9
Weighted Average		192.9	193.6
Weighted Average (linked)		197.9	198.8

² Linked actual index = (actual index / previous actual index) x previous linked actual index.
 249.4 = 254.4 / 248.7 x 243.8

³ The 4Q07 based indexes are 1980 based indexes divided by the 4Q07 linking factor (245.9/100). Other linking factors are: 4Q02 = 192.1; 4Q97 = 173.2; 4Q92 = 156.9; and 4Q87 = 132.2.

Productivity

On February 1, 2010, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which modified its earlier decision that added the year 2008 to the Productivity Adjustment Factor (PAF) and deleted the year 2003. The decision created a geometric average annual productivity change for 2004 through 2008 of 1.0 percent per year, effective March 1.

However, on February 26, 2010, the STB postponed the effective date of their 2004-2008 productivity adjustment change. Therefore, the AAR has continued using the productivity adjustment change that is still in effect, which is based on 2003-2007. This creates the probability that the AAR will have to submit a modification to the 2010-Q2 RCAF calculation. Since only the Productivity Adjustment Factor and RCAF-A are affected, three pages of the filing could change: the cover letter, page 5 and page 6. The "PAF-5" is not affected.

The input and output indexes necessary to calculate the average annual productivity change based on 2003 through 2007 are listed in the previous quarter's filing (December 4, 2009). The geometric average for that period is 1.5 percent, and it is listed below in ratio format – meaning 1.5 percent is 1.015. The quarterly productivity adjustment factors (PAF) are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate which are the fourth root of the average annual growth rate, which is also listed below in ratio format. The difference between the PAF and the PAF-5 is the timing of the 5-year productivity trend.

Productivity Change	
2003 - 2007 Data	
Average using 2003-2007	1.015

Calculation of PAF and PAF-5			
For 2003-2007, use fourth root of avg. productivity change = 1.0037			
Quarter	Year	PAF	PAF-5
Q1	2010	2.2204	2.3415
Q2	2010	2.2286	2.3502

This figure would normally be calculated using a new productivity change.

Rail Cost Adjustment Factor

Second Quarter 2010

Four RCAF values are presented in this filing. Two are not modified for productivity (Preliminary RCAF and RCAF Unadjusted), and two incorporate a productivity calculation (RCAF Adjusted and RCAF-5). The All-Inclusive Index and all four RCAF values, plus the percent change for each, are shown below. Note that the All-Inclusive Index is on a 2007Q4=100 basis.

	Previous 2010Q1	Current 2010Q2	Percent Change
All-Inclusive Index ¹	104.5	104.4	-0.1
Preliminary RCAF ²	1.045	1.044	-0.1
Forecast Error Adjustment ³	<u>-0.007</u>	<u>0.016</u>	
RCAF (Unadjusted) ⁴	1.038	1.060	2.1
Productivity Adjustment Factor ⁵	2.2204	2.2286 *	
RCAF (Adjusted) ⁶	0.467	0.476 *	1.9
PAF-5 ⁷	2.3415	2.3502	
RCAF-5 ⁸	0.443	0.451	1.8

¹ See All-Inclusive Index on page 3.

² All-Inclusive Index divided by the All-Inclusive Index in the base period (100.0).

³ The current figure is from Forecast vs. Actual All-Inclusive Index in this filing (page 4). The previous quarter figure is shown in a similar section of the previous quarter's filing.

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

⁶ RCAF (Unadjusted) divided by the Productivity Adjustment Factor (PAF).

⁷ See Productivity on page 5.

⁸ RCAF (Unadjusted) divided by the PAF-5.

* Could be revised if the STB releases a productivity adjustment figure based on 2004 through 2008 data. Original decision's effective date was postponed. See page 5.

Appendix

Labor

Second Quarter 2010

The second quarter 2010 Labor Index is forecast to increase 0.1 percent. All changes were relatively small. Two new labor agreements and one railroad's annual contribution to an employee stock plan were offset by lower bonuses.

Wage Rate Index

The Wage Rate Index portion of the Labor Index decreased 0.1 percent from the previous quarter. Although wage rates were 0.2 percent higher, the complete amortization and removal of certain lump sum amounts resulted in a small net decrease.

Wage Increases: There were no general wage increases scheduled for the second quarter in the *national* agreements. One railroad's *independent* union will receive a general wage increase effective April 1. January 2010 general wage increases from two recently received new independent labor agreements with the BLET were added to the index along with one quarter of back pay. [See Appendix H for common railroad and union abbreviations.]

Lump Sums: The lump sum rate dropped primarily because of the complete amortization and removal of two performance bonuses paid in 2009 for performance in 2008. The bonuses paid in 2010 for performance in 2009 were lower, causing the net drop.

Back Pay: The back pay rate increased by two cents because of the two new independent BLET labor agreements mentioned previously. Both new agreements had January 1, 2010, labor general wage increases that were added to the index in the second quarter because of the dates the agreements were received. Back pay was added to account for the one quarter difference.

Other: Other wages contains the amortization of profit sharing payments that the BNSF Railway makes each year to its dispatchers, yardmasters, and engineers. This rate is unchanged, and it is the final quarter amortization for a payment made in 2009 for profit in 2008.

Supplements Index

One railroad's annual contribution to an employee stock ownership program caused the 0.4 percent increase in the Supplements Index.

Health & Welfare: The Health & Welfare rate was unchanged from the first quarter. The two newly received independent labor agreements continued participation with the national Health & Welfare plan, so no changes were necessary in the rate.

Labor

Second Quarter 2010

Railroad Retirement: The Railroad Retirement Rate was essentially unchanged, as it decreased by three tenths of a cent because of the slight decrease in the taxable wage rate.

Unemployment Insurance: The unemployment insurance hourly rate was unchanged

Other: The "Other" category is a reflection of all other fringe benefits, and currently contains known employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. The increase was caused mostly by one railroad's annual contribution to an employee stock ownership plan.

Labor Index Calculation

As shown in Table A-1 on the next page, the 0.1 percent decrease in the Wage Index and the 0.4 percent increase in the Supplements Index had a combined effect of a 0.1 percent increase in the Labor Index. The linked second quarter 2010 index is 357.3.

Labor Second Quarter 2010

Table A-1 Labor Index

	2010Q1	2010Q2	Change	
			Percent	Amount
Base Wage – Straight Time & Pay For Time Not Worked	\$35.534	\$35.599	0.2%	\$0.065
Adjustments:				
Lump Sum	0.244	0.136	-44.3%	-0.108
Back Pay	0.033	0.053	60.6%	0.020
Other	0.191	0.191	0.0%	0.000
Total Wages	<u>36.002</u>	<u>35.979</u>	-0.1%	-0.023
 Health & Welfare Benefits	6.865	6.865	0.0%	0.000
RR Retirement & Medicare	7.174	7.171	0.0%	-0.003
Unemployment Insurance	0.275	0.275	0.0%	0.000
Other	0.087	0.146	67.8%	0.059
Total Supplements	<u>\$14.401</u>	<u>\$14.457</u>	0.4%	0.056
 Total Labor	\$50.403	\$50.436		
 Wage Index¹	308.1	307.9	-0.1%	
Supplements Index²	532.2	534.3	0.4%	
 Total labor Index, 2008 Weights ³	370.2	370.6		
Labor Index (linked)⁴	356.9	357.3	0.1%	

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

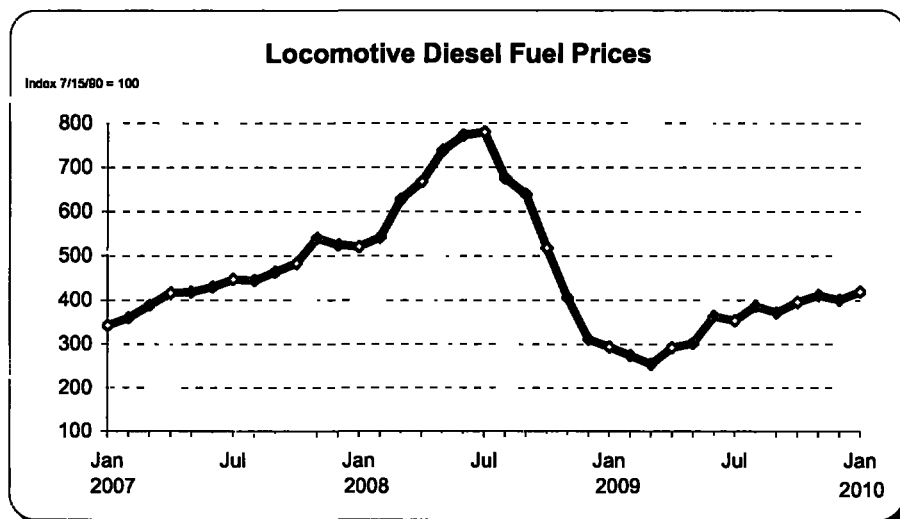
³ 2008 weights: wages, supplements 72.3% 27.7%

⁴ 2010Q2 linked Index = 2010Q1 linked x (2010Q2 / 2010Q1)
 = 356.9 x 370.6 / 370.2

Fuel Second Quarter 2010

The forecast for fuel is based on: (1) a survey of railroad fuel purchasing officers concerning current price and volume levels, (2) expectations of railroad purchasing officers based on their own forecast models and discussions with their major suppliers, and (3) a consensus of petroleum industry experts and general business publications.

After huge price drops in the last half of 2008, locomotive diesel fuel prices began increasing in April 2009. Since June 2009, locomotive diesel fuel prices been trending upward at a *relatively* lower and stable rate. The June to January increase in prices averages to about 2 percent per month. January is the latest month available for locomotive diesel fuel prices, but weekly heating oil prices are available through March 1 from the U.S. Energy Information Administration.* Residential heating oil prices were up and down in February, but prices are below some of the highs achieved during January. Railroads believe locomotive diesel fuel prices will experience a small decrease when comparing the April 2010 (Q2) average price to January 2010 (Q1). The expected average price for the second quarter is 2.8 percent below the forecast for the first quarter.



Forecast Fuel Index	255.2
Change from previous quarter forecast	-2.8%
Change from previous quarter actual	-1.3%

* Heating oil and locomotive diesel fuel are part of a group of closely related products, commonly labeled as distillates, that differ mostly by their sulfur content. Because of these similarities, these fuels are produced together and have similar pricing trends.

Materials & Supplies

Second Quarter 2010

Lower prices for forest products, and for metal products, caused the second quarter 2010 Materials & Supplies Index to decrease 1.0 percent from the Materials & Supplies Index filed in the first quarter. The second quarter index is 3.5 percent below its value for one year ago (second quarter 2009).

2010Q2 Materials & Supplies Index = 240.2

2010Q1 Materials & Supplies Index = 242.7

Difference	-2.5 basis points
	or
	-1.0 %

Equipment Rents

Second Quarter 2010

The Equipment Rents Index consists of two components – car hire and lease rentals. The methodology used to create these two components and the final Equipment Rents Index are explained below.

Car Hire

The car hire component is indexed using data from the Car Hire Accounting Rate Master (CHARM) file. Car hire rates for the forecast quarter are estimated based on data for the most recent month available. For the first quarter, December 1 of the previous year is used. For the second, third and fourth quarters; March 1, June 1, and September 1 are used, respectively. Using data retrieved from the latest CHARM file, an average rate per car is developed. Next, those average rates are grouped into car type categories to create an overall summary of car hire rates. The summary rates are then compared from quarter to quarter to determine the Car Hire Index.

Lease Rentals

The lease rentals portion of the Equipment Rents Index uses the Producer Price Index for Industrial Commodities less Fuel and Related Products and Power (PPI-LF). The Commission adopted this surrogate in its decision served March 13, 1987. The AAR uses six years of historical data to derive its forecast for the PPI-LF. The forecast is used not only for lease rentals, but also for the "Other" component of the All-Inclusive Index. Appendix G discusses the forecast in more detail.

Equipment Rent Index Calculation

The table below calculates the Equipment Rent Index, which increased 1.5 percent. The Car Hire portion of the Index decreased 1.7 percent because of lower rates for privately-owned cars. A 3.8 percent increase for the PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 1.7 percent decrease for Car Hire, caused the Equipment Rent Index to increase 1.5 percent.

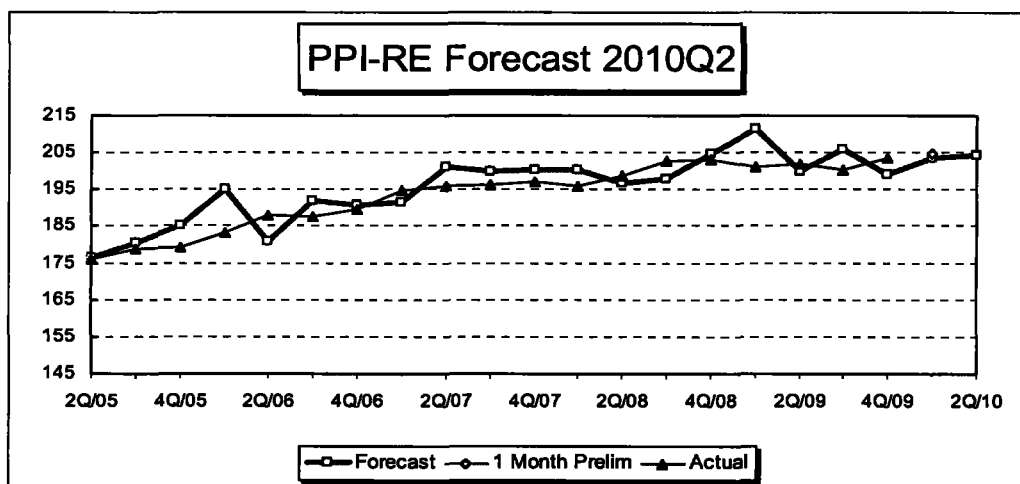
	2008			Percent
	Weight	2010Q1	2010Q2	Change
Car Hire	43.9%	185.8	182.7	-1.7 %
Lease Rentals	56.1%	199.8	207.3	3.8
Weighted Average		193.7	196.5	1.4
Weighted Average (Linked)		198.7	201.6	1.5

Depreciation

Second Quarter 2010

The Producer Price Index for Railroad Equipment (PPI-RE) is used to index depreciation expense. The PPI-RE is forecast using an ARIMA (Auto-Regressive Integrated Moving Average) process where a statistical package picks the model that best fits the historical data set (see next page), and that model is then used for the forecast. The historical data set contains 6 years of monthly data (a sample size of 72), where the most recent available data point is the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent period available. April and July would be the most recent months available for third and fourth quarter forecasts, respectively. The output from the forecast model is shown on page 2 of this appendix on a 1982=100 basis. The figure forecast by the model reflects monthly PPI-RE figures that have increased in four of the last five months.

Forecast of Depreciation Index (1982=100)	184.7
Forecast of Depreciation Index (1980=100)	204.3
Change from previous quarter forecast	0.5%
Change from actual first month of previous quarter	-0.1%
Change from same quarter of prior year (actual)	1.2%



Depreciation

Second Quarter 2010

PPI RAILROAD EQUIPMENT

Recommended model: Box-Jenkins

Forecast Model for PPIRE

ARIMA(0,1,0)*(1,0,0)

Term	Coefficient	Std. Error	t-Statistic	Significance
A[12]	0.5899	0.0913	6.4616	1.0000

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 169.4	Standard deviation 13.17
R-square 0.9896	Adjusted R-square 0.9896
Durbin-Watson 1.345	Ljung-Box(18)=19.3 P=0.6265
Forecast error 1.345	BIC 1.376
MAPE 0.005538	RMSE 1.336
MAD 0.9377	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2009-08	179.900
2009-09	183.800
2009-10	183.900
2009-11	183.700
2009-12	184.500
2010-01	185.000

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2010-02	182.482	185.118	187.754
2010-03	181.272	185.000	188.728
2010-04	181.319	185.885	190.451
2010-05	178.784	184.056	189.328
2010-06	178.162	184.056	189.950
QTR AVG	179.422	184.666	189.910

Interest

Second Quarter 2010

The Interstate Commerce Commission, in its decision served February 28, 1989, revised the All-Inclusive Index methodology to include a specific interest component, which is to track changes in the average interest rate from year to year. The interest rate is essentially the embedded cost of debt, i.e., total interest expense divided by average total long term debt. The interest rate is calculated for the most recent year and used until the next year's figures are available. Typically in the fourth quarter filing, the interest rate is updated to the new level. The source for interest expense is Schedule 210, column b, from the R-1 annual report. The lines used from current R-1 annual reports are listed below. The source for average total debt is Schedule 200 from the R-1 annual report. The sums of data from columns b and c (ending and beginning balances) are combined and divided by 2 to compute an average balance. The line numbers are listed below. Beginning with fourth quarter 2009, the Interest Index is based on data for 2008.

Interest Expense (Schedule 210)

Line	
42	Total Fixed Charges
44	Contingent Interest
less	
22	Release of Premium on Funded Debt

Average Total Debt (Schedule 200)

Line	
30	Current Loans and Notes Payable
39	Equipment Obligations and Other Long Term Debt Due Within One Year
41	Funded Debt Unmatured - Non-Current
42	Equipment Obligations - Non-Current
43	Capitalized Lease Obligations - Non-Current
44	Debt in Default - Non-Current
45	Accounts Payable: Affiliated Companies - Non-Current
46	Unamortized Debt Premium - Non-Current

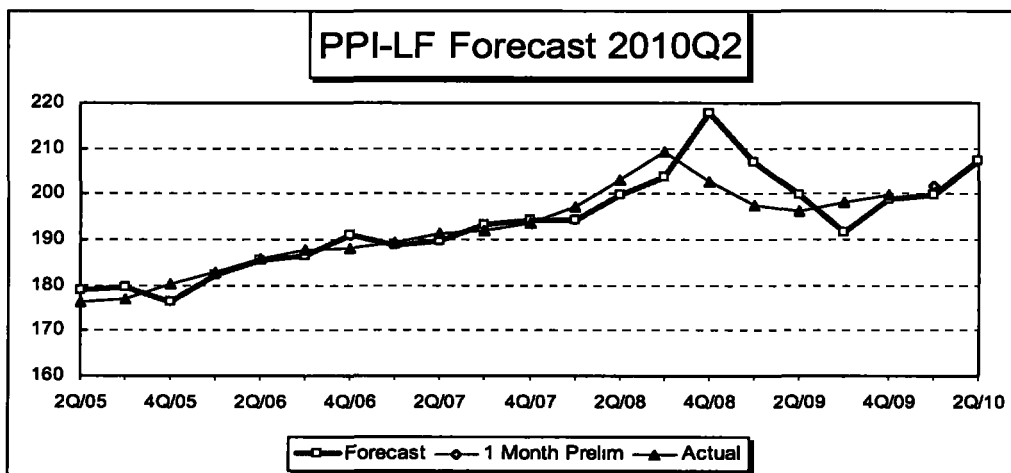
2008	Interest Rate	6.59%
1980	Interest Rate	7.85%
2010Q2	Interest Index	83.9
2010Q1	Interest Index	83.9
	Percent Change	0.0%

Other Expenses Second Quarter 2010

The Producer Price Index for Industrial Commodities less Fuels and Related Products and Power (PPI-LF) is used to index purchased services, casualties and insurance, loss and damage, taxes (other than income and payroll), general and administrative expenses, and lease rentals. These expenses, when grouped together, are usually called "Other" expenses.

Like the PPI-RE, the PPI-LF is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent month available. April and July would be the most recent months available for third and fourth quarter forecasts respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model for the second quarter reflects monthly PPI-LF figures that have increased for eight consecutive months, with the highest percentage increase coming from the most recent (January) month. Despite the 3.8 percent increase in the quarterly Other Expenses Index, the 2010-Q2 forecast is still below the peak forecast.

Forecast of Other Expense Index (1982=100)	184.9
Forecast of Other Expense Index (1980=100)	207.3
Change from previous quarter forecast	3.8%
Change from actual first month of previous quarter	2.7%
Change from same quarter of prior year (actual)	5.7%



Other Expenses

Second Quarter 2010

PPI INDUSTRIAL COMMODITIES LESS FUELS AND RELATED PRODUCTS AND POWER

Recommended model: Box-Jenkins
Forecast Model for PPILF
ARIMA(0,2,0)

Within-Sample Statistics

Sample size 72	Number of parameters 0
Mean 167.8	Standard deviation 10.31
R-square 0.9951	Adjusted R-square 0.9952
Durbin-Watson 2.01	Ljung-Box(18)=15.73 P=0.3886
Forecast error 0.716	BIC 0.716
MAPE 0.003011	RMSE 0.716
MAD 0.5153	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2009-08	176.600
2009-09	177.200
2009-10	177.800
2009-11	178.200
2009-12	178.900
2010-01	180.100

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2010-02	179.877	181.300	182.723
2010-03	179.318	182.500	185.682
2010-04	178.375	183.700	189.025
2010-05	177.105	184.900	192.695
2010-06	175.545	186.100	196.655
QTR AVG	177.008	184.900	192.792

Railroad and Union Abbreviations

Second Quarter 2010

Railroads

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp.)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp. Sometimes noted as CC&P.)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation.)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U.S. operations.)
CP	Canadian Pacific (Also noted as CPR. Owns the U.S. Class I railroad Soo Line.)
CSX	CSX Transportation
DMIR	Duluth, Missabe & Iron Range Company (Part of CN's Grand Trunk Corp.)
DWP	Duluth, Winnipeg & Pacific Railway (Part of CN's Grand Trunk Corp.)
GTW	Grand Trunk Western Railroad (Part of CN's Grand Trunk Corp.)
IC	Illinois Central Railroad (Part of CN's Grand Trunk Corp.)
KCS	Kansas City Southern Railway
NS	Norfolk Southern Combined Railroad Subsidiaries (a.k.a. Norfolk Southern Railway or NS Rail)
SOO	Soo Line Railroad (Canadian Pacific Railway's western U.S. operations.)
UP	Union Pacific Railroad
WC	Wisconsin Central and subsidiaries (Part of CN's Grand Trunk Corp.)

Major Unions Involved with Railroads

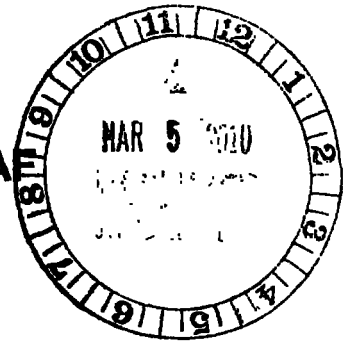
ATDA	American Train Dispatchers Association
BLET	Brotherhood of Locomotive Engineers and Trainmen Division of the International Brotherhood of Teamsters
BMWED	Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters
BRS	Brotherhood of Railroad Signalmen
IAM	International Association of Machinists and Aerospace Workers
IBBM	International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers
IBEW	International Brotherhood of Electrical Workers
NCFO	National Conference of Firemen and Oilers
SMW	Sheet Metal Workers' International Association
TCU	Transportation Communication International Union
TCU-Carmen	Brotherhood of Railway Carmen Division of the Transportation Communications International Union
UTU	United Transportation Union
UTU-Yard	United Transportation Union Yardmaster Department (also noted as UTU-YMD)

Predecessor Unions (Some AAR databases use these old abbreviations.)

BLE	Brotherhood of Locomotive Engineers (predecessor to BLET)
BMWED	Brotherhood of Maintenance of Way Employees (predecessor to BMWED)
BRC	Brotherhood of Railway Carmen (predecessor to TCU-Carmen)
IBFO	International Brotherhood of Firemen and Oilers (predecessor to NCFO)

Workpapers Sent to STB for 2010 Q2 RCA

March 5, 2010



1. Index Calculation Spreadsheet (index_calc.xls, 2 pages)
2. STB Productivity decision served February 26, 2010
3. Summary of ST and PFTNW Hourly Rates (Summary.xls)
4. RCAF Taxable Wages adjustment calculation (TaxableRate.xls)
5. National Contracts spreadsheet, 2 sections (2 and 5 pages)
6. Wall Street Journal - 13 week Treasury Bill Rate from latest auction (a.k.a. 3-Mo. T-Bill)
7. 2010/Q1 RCAF Lump Sum Amortization (3 pages)
8. 2010/Q1 RCAF Back Pay Amortization (3 pages)
9. Health & Welfare worksheet (1 page, no change from Q1)
10. Railroad Retirement spreadsheet (5 pages)
11. Unemployment Insurance worksheet
12. 2-page SAS run for Unemployment Insurance
13. Materials & Supplies summary, memo, and worksheet
14. One page of heating oil price information from U.S. Energy Information Administration
15. Car Hire Spreadsheet (2 pages) plus 2-page source data page for March 1, 2010
16. 4 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
17. 4 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
18. Forecast Error calculation and workpapers (10 pages: calc, index, fuel, 3 car hire, 2 deprec, 2 other)
19. 5 pages of relevant labor agreement pages affecting wage rate, back pay, and lump sums

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Office of Proceedings

MAR 5 2010

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Public Record

RCAF All-Inclusive Index's Labor Index Based on 2008 Benchmarks

	08 Wts.	3Q/09		% Chg		4Q/09		% Chg		1Q/10		% Chg		2Q/10		% Chg		3Q/10		% Chg	
		Original	Rebenchd		fr. Orig																
Straight Time		\$28.088	\$28.463	1.3%		\$28.467		1.3%		\$28.798		1.2%		\$28.851		0.2%				--	
PFTNW		\$6.399	\$6.721	5.0%		\$6.722		5.0%		\$6.736		0.2%		\$6.748		0.2%				--	
Total		\$34.487	\$35.184	2.0%		\$35.189		2.0%		\$35.534		1.0%		\$35.599		0.2%		\$0.000		--	
Adjustments																					
Lump Sum		\$0.311	\$0.318			\$0.319				\$0.244				\$0.136							
Back Pay		\$0.923	\$0.947			\$0.163				\$0.033				\$0.053							
Other		\$0.186	\$0.191			\$0.191				\$0.191				\$0.191							
Total Wages		\$35.907	\$36.640	2.0%		\$35.862		-0.1%		\$36.002		0.4%		\$35.979		-0.1%		\$0.000		--	
Pre-Tax Reduction		(\$1.050)	(\$1.040)			(\$1.040)				(\$1.192)				(\$1.192)							
Taxable Wages		\$34.857	\$35.600			\$34.822				\$34.810				\$34.787				\$0.000			
H & W		\$5.868	\$5.798	-1.2%		\$5.798		-1.2%		\$6.865		18.4%		\$6.865		0.0%					
RR Ret & Medicare		\$7.238	\$7.288	0.7%		\$7.176		-0.9%		\$7.174		0.0%		\$7.171		0.0%					
Unemp. Insurance		\$0.208	\$0.208	0.0%		\$0.208		0.0%		\$0.275		32.2%		\$0.275		0.0%					
Other		\$0.157	\$0.161	2.5%		\$0.078		-50.3%		\$0.087		11.5%		\$0.146		67.8%					
Total		\$13.471	\$13.455	-0.1%		\$13.260		-1.6%		\$14.401		8.6%		\$14.457		0.4%		\$0.000		--	
Adjustments																					
Total Suppl.		\$13.471	\$13.455	-0.1%		\$13.260		-1.6%		\$14.401		8.6%		\$14.457		0.4%		\$0.000		--	
Total Labor		\$49.378	\$50.095	1.5%		\$49.122		-0.5%		\$50.403		2.6%		\$50.436		0.1%		\$0.000		--	
Wage Rate Index	0.7230	307.3	313.6	2.1%		306.9		-0.1%		308.1		0.4%		307.9		-0.1%		0.0		--	
Suppl Index	0.2770	497.8	497.2	-0.1%		490.0		-1.6%		532.2		8.6%		534.3		0.4%		0.0		--	
Total Labor Index '07 Wts.		362.0																			
Total Labor Index '08 Wts.		360.1	364.5	1.2%		357.6		-0.7%		370.2		3.5%		370.6		0.1%		0.0		--	
Labor Index (Linked)		347.2				344.8		-0.7%		356.9		3.5%		357.3		0.1%		0.0		#####	

All Inclusive Index and RCAF

	08 Wts	3Q/09	3Q/09 08 Wts	% Chg	4Q/09	% Chg	1Q/10	% Chg	2Q/10	% Chg	3Q/10	% Chg
Labor	0.302	347.20	347.2	0.0%	344.8	-0.7%	356.9	3.5%	357.3	0.1%	0.0 #####	0.0 #####
Fuel	0.252	231.20	231.2	0.0%	234.4	1.4%	262.6	12.0%	255.2	-2.8%	--	--
M&S	0.051	255.90	255.9	0.0%	238.8	-6.7%	242.7	1.6%	240.2	-1.0%	--	--
Equip. Rents	0.063	192.40	192.4	0.0%	197.9	2.9%	198.7	0.4%	201.6	1.5%	0.0 #####	0.0 #####
Depreciation	0.104	206.00	206.0	0.0%	198.9	-3.4%	203.3	2.2%	204.3	0.5%	--	--
Interest	0.023	88.00	88.0	0.0%	83.9	-4.7%	83.9	0.0%	83.9	0.0%	83.9 0.0%	83.9 0.0%
Other	0.205	191.50	191.5	0.0%	198.7	3.8%	199.8	0.6%	207.3	3.8%	--	--
Weighted Avg.	1.000	252.70	251.0	-0.7%	251.2	0.1%	262.9	4.7%	262.8	0.0%	1.9 -99.3%	1.9 -99.3%
Linked		245.30			245.5	0.1%	256.9	4.6%	256.8	0.0%	1.9 -99.3%	1.9 -99.3%
10/1/80 basis		238.90			239.0	0.0%	250.1	4.6%	250.0	0.0%	1.9 -99.2%	1.9 -99.2%
10/1/82		202.90			203.1	0.1%	212.5	4.6%	212.4	0.0%	1.6 -99.2%	1.6 -99.2%
4Q/87		185.60			185.7	0.1%	194.3	4.6%	194.3	0.0%	1.4 -99.3%	1.4 -99.3%
4Q/92		156.30			156.5	0.1%	163.7	4.6%	163.7	0.0%	1.2 -99.3%	1.2 -99.3%
4Q/97		141.60			141.7	0.1%	148.3	4.7%	148.3	0.0%	1.1 -99.3%	1.1 -99.3%
4Q/02		127.70			127.8	0.1%	133.7	4.6%	133.7	0.0%	1.0 -99.3%	1.0 -99.3%
4Q/07 basis		99.80			99.8	0.0%	104.5	4.7%	104.4	-0.1%	0.8 -99.2%	0.8 -99.2%
Car Hire	0.439	182.40	182.4	0.0%	185.5	1.7%	185.8	0.2%	182.7	-1.7%	--	--
Lease Rents	0.561	191.50	191.5	0.0%	198.7	3.8%	199.8	-0.6%	207.3	3.8%	0.0	0.0
Wghted Avg Eq Rents		187.60	187.5	-0.1%	192.9	2.9%	193.7	0.4%	196.5	1.4%	0.0	0.0
Linked Equipment Rents		192.40			197.9	2.9%	198.7	0.4%	201.6	1.5%	0.0 #####	0.0 #####
Preliminary RCAF		0.998			0.998	0.00%	1.045	4.7%	1.044	-0.1%	0.008 -99.2%	0.008 -99.2%
Forecast Error Adj. RCAF Unadjusted		(0.060) 0.938			(0.002) 0.996	6.18%	(0.007) 1.038	4.2%	0.016 1.060	2.1%	0.008 -99.2%	0.008 -99.2%
PAF RCAF Adjusted		2.2040 0.426			2.2122 0.450	0.37% 5.63%	2.2204 0.467	0.37% 3.8%	2.2286 0.476	0.37% 1.9%	#DIV/0!	--
PAF-5 RCAF-5		2.3259 0.403			2.3329 0.427	0.30% 5.96%	2.3415 0.443	0.37% 3.7%	2.3502 0.451	0.37% 1.8%	#DIV/0!	--

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SERVICE DATE – LATE RELEASE FEBRUARY 26, 2010

SURFACE TRANSPORTATION BOARD

DECISION

STB Ex Parte No. 290 (Sub-No. 4)

RAILROAD COST RECOVERY PROCEDURES—PRODUCTIVITY ADJUSTMENT

Decided: February 26, 2010

By decision served on February 1, 2010, the Board proposed to adopt 1.010 (1.0% per year) as the measure of average change in railroad productivity for the 2004-2008 (5-year) averaging period. This value is a decline of 0.5% from the current measure of 1.5% that was developed for the 2003-2007 period.

The February 1, 2010 decision provided an opportunity to file comments regarding any perceived data and computational errors in the Board's calculation. The Board's decision also stated that the proposed productivity adjustment would become effective on March 1, 2010, unless a further order were issued postponing the effective date.

On February 22, 2010, the Board received timely comments from the Western Coal Traffic League (WCTL) regarding the output index calculation for 2008. To allow for adequate consideration of WCTL's comments, we will postpone the effective date of the 2004-2008 productivity adjustment pending further order of the Board.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The effective date of the 2004-2008 productivity adjustment is postponed pending further order of the Board.
2. This decision is effective on the date of service.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Hourly Rate for 2010 Q2

Straight Time and Time Paid For But Not Worked

2010Q2 Straight Time Hourly Rate (from national spreadsheet)

\$28.627

no change

Adjustments to 2008 base:

Adjustments added 2009 Q1

CN Railroads	3% GWI for GTW BMW and WC BRS, COLA for WC&DMR&DWP BMW, 4% for non-unions	0.004
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	4% for UP ATDA as non-union	0.006
SOO	COLA for BMW	0.001

Adjustments added 2009 Q2

CN Railroads	No change	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	No change	0.000

Adjustments added 2009 Q3

CN Railroads	New BLE BMW and WC BLET, GWI for most of rest	0.026
Dispatcher 4 (BNSF, CSX, KCS, NS)	4.5% G.W.I. for BNSF and KCS, 4% for CSX	0.009
Misc. Independent BLET, Yardmasters, Dispatchers	4.5% G.W.I. for BNSF BLET, CSX & UP UTU-YMD, 5% G.W.I. for NS BLET	0.090
SOO	New BMW with retro GWI, 4 5% G.W.I. for rest unions	0.021

Adjustments added 2009 Q4

CN Railroads	New agreement for WC UTU-YMD with 1 retro wage increase	0.004
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	No change	0.000

Adjustments added 2010 Q1

CN Railroads	Mostly non-union wage increases	0.002
Dispatcher 4 (BNSF, CSX, KCS, NS)	5% GWI for CSX ATDA-East (30% total)	0.001
Misc. Independent BLET, Yardmasters, Dispatchers	4 5% GWI for non-union UP dispatchers	0.007
SOO	No change	0.000

Adjustments added 2010 Q2

CN Railroads	WC BLET 3.24% GWI	0.002
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	New agreements received for BNSF BLET and CSX BLET with January 2010 wage increases	0.051
SOO	No change	0.000

Adjusted STHR Total

\$28.851

Pay For Time Not Worked

PFTNW (from national spreadsheet)

\$6.696

Ratio Adj STHR to Nat STHR

28.851 / 28.627 =

1.00782

Adjusted Pay For Time Not Worked

\$6.748

Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, GTW, IC, and WC
2. "Dispatcher 4" was benchmarked based on 2008 Wage Statistics as independent, even though the new national ATDA contract was signed September 1, 2007.

RCAF Taxable Wages

(To Use for Railroad Retirement and Unemployment Insurance Payroll Tax Calculations)

In the RCAF calculation, Total Wages are the wages paid, while Taxable Wages are the wages on which to base payroll tax calculations. The difference is caused by pre-tax employee contributions to help pay Health & Welfare costs. This page calculates that wage rate difference.

The national agreements feature employee Health & Welfare cost sharing. Some of the independent agreements adopt the dollar amount contributed under the national agreement, and some have their own employee contribution rate such as the CN Management H&W Plan. This Cost Sharing is a pre-tax employee contribution to Health & Welfare insurance premiums paid by the employer. The employee contribution reduces employer Health & Welfare costs, while the Health & Welfare insurance premiums paid to the provider are unchanged. In the RCAF calculation, the reduction to the employer's Health & Welfare costs affect the Supplements portion of the Labor component of the index. The Taxable Wage Rate is used for Railroad Retirement and Unemployment Insurance calculations.

Reduction Calculation for 2Q/2010

U.S. ST Hours =

322,915,071

Wage Statistics are for 2008.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	27,033	(\$200.00)	(\$64,879,200.00)
National BMWE (BNSF, CSX, KCS, NS, UP)	24,330	(\$200.00)	(\$58,392,000.00)
National BRS (BNSF, CSX, KCS, NS, UP)	6,265	(\$200.00)	(\$15,036,000.00)
National IAM (BNSF, CSX, KCS, NS, UP)	6,838	(\$200.00)	(\$16,411,200.00)
National IBBM (BNSF, CSX, KCS, NS, UP)	1,012	(\$200.00)	(\$2,428,800.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	5,119	(\$200.00)	(\$12,285,600.00)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,466	(\$200.00)	(\$5,918,400.00)
National SMW (BNSF, CSX, KCS, NS, UP)	1,038	(\$200.00)	(\$2,491,200.00)
National TCU (BNSF, CSX, KCS, NS, UP)	6,863	(\$200.00)	(\$16,471,200.00)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,467	(\$200.00)	(\$25,120,800.00)
National UTU (BNSF, CSX, KCS, NS, UP)	42,698	(\$200.00)	(\$102,475,200.00)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,701	(\$200.00)	(\$4,082,400.00)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,845	(\$200.00)	(\$4,428,000.00)
Independent CNGT (wt avg all 104 union categories)	5,917	(\$107.74)	(\$7,649,970.96)
Independent SOO (wt avg all 13 unions)	2,359	(\$200.00)	(\$5,661,600.00)
Independent UP (Yardmasters only)	22	(\$200.00)	(\$52,800.00)
Total Union	145,973		(\$343,784,370.96)
All Other @ \$3,424,986.86 total per month			(\$41,099,842.32)
Total			(\$384,884,213.28)

Reduction in Wage Rate Per ST Hour	-\$1.19190539
Deduct this amount from the Wage Rate	-\$1.192

National Contracts U.S.

Straight Time Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Check Sum
Weight	0.25331	0.04116	0.179	0.0059	0.03797	0.14505	0.06311	0.0141	0.03989	0.00609	0.03034	0.01364	0.00976	0.16065	1.00000
2008 Avg.	23.391	23.949	25.376	23.621	25.553	22.283	23.161	19.295	23.557	21.757	24.037	34.958	28.753	42.802	362.492
12/31/08	23.847	24.414	25.688	24.085	26.047	22.706	23.618	19.673	24.047	22.184	24.507	35.254	29.284	42.802	368.155
1/1/09	23.847	24.414	25.688	24.085	26.047	22.706	23.618	19.673	24.047	22.184	24.507	35.254	29.284	44.514	
4/1/09	23.847	24.414	25.688	24.085	26.047	22.706	23.618	19.673	24.047	22.184	24.507	35.254	29.284	44.514	
7/1/09	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	44.514	
10/1/09	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	44.514	
1/1/10	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	46.517	
4/1/10	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	46.517	
7/1/10	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	46.517	

Weighted Straight Time Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2008 Avg.	5.925	0.986	4.542	0.139	0.970	3.232	1.462	0.272	0.940	0.133	0.729	0.477	0.281	6.876	26.964
12/31/08	6.041	1.005	4.598	0.142	0.989	3.294	1.491	0.277	0.959	0.135	0.744	0.481	0.286	6.876	27.318
1/1/09	6.041	1.005	4.598	0.142	0.989	3.294	1.491	0.277	0.959	0.135	0.744	0.481	0.286	7.151	27.593
4/1/09	6.041	1.005	4.598	0.142	0.989	3.294	1.491	0.277	0.959	0.135	0.744	0.481	0.286	7.151	27.593
7/1/09	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.151	28.306
10/1/09	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.151	28.306
1/1/10	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.473	28.627
4/1/10	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.473	28.627
7/1/10	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.473	28.627

Note: The 2008 Average and 12/31/08 Straight Time Hourly Rates are the industry rates, and include all Class 1 railroad employees. The rates for 1/1/09 through 7/1/10 are based on the industry year-end rates updated by NATIONAL UNION wage increases using contract information. These national increases are diluted using "percent national" ratios to account for non-national union contracts. The impacts of non-national (or independent contract) increases after 2008 are not shown on this page and are handled separately.

National Contracts U.S.

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER
Weight	0.25331	0.04116	0.179	0.0059	0.03797	0.14505	0.06311	0.0141	0.03989	0.00609	0.03034	0.01364	0.00976	0.16065
2008 Avg.	9.976	4.923	9.991	3.952	5.451	3.879	3.944	3.154	4.062	5.705	4.284	7.132	9.709	1.480
12/31/08	10.171	5.019	10.113	4.030	5.557	3.953	4.021	3.216	4.146	5.816	4.368	7.192	9.888	1.480
1/1/09	10.171	5.019	10.113	4.030	5.557	3.953	4.021	3.216	4.146	5.816	4.368	7.192	9.888	1.540
4/1/09	10.171	5.019	10.113	4.030	5.557	3.953	4.021	3.216	4.146	5.816	4.368	7.192	9.888	1.540
7/1/09	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.540
10/1/09	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.540
1/1/10	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.609
4/1/10	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.609
7/1/10	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.609

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2008 Avg.	2.527	0.203	1.788	0.023	0.207	0.563	0.249	0.044	0.162	0.035	0.130	0.097	0.095	0.238	6.361
12/31/08	2.576	0.207	1.810	0.024	0.211	0.573	0.254	0.045	0.165	0.035	0.133	0.098	0.097	0.238	6.466
1/1/09	2.576	0.207	1.810	0.024	0.211	0.573	0.254	0.045	0.165	0.035	0.133	0.098	0.097	0.247	6.476
4/1/09	2.576	0.207	1.810	0.024	0.211	0.573	0.254	0.045	0.165	0.035	0.133	0.098	0.097	0.247	6.476
7/1/09	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.247	6.684
10/1/09	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.247	6.684
1/1/10	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.258	6.696
4/1/10	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.258	6.696
7/1/10	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.258	6.696

U.S. National Contract

UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.39120	9.97628
12/31/08 Industry Rate				23.84680	10.17059
1/1/09			94.951%	23.84680	10.17059
4/1/09			94.951%	23.84680	10.17059
7/1/09	4.50%		94.951%	24.86573	10.60516
10/1/09			94.951%	24.86573	10.60516
1/1/10			94.951%	24.86573	10.60516
4/1/10			94.951%	24.86573	10.60516
7/1/10			94.951%	24.86573	10.60516

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.94923	4.92321
12/31/08 Industry Rate				24.41374	5.01870
1/1/09			89.195%	24.41374	5.01870
4/1/09			89.195%	24.41374	5.01870
7/1/09	4.50%		89.195%	25.39365	5.22014
10/1/09			89.195%	25.39365	5.22014
1/1/10			89.195%	25.39365	5.22014
4/1/10			89.195%	25.39365	5.22014
7/1/10			89.195%	25.39365	5.22014

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				25.37580	9.99057
12/31/08 Industry Rate				25.68761	10.11333
1/1/09			32.914%	25.68761	10.11333
4/1/09			32.914%	25.68761	10.11333
7/1/09	4.50%		32.914%	26.06808	10.26312
10/1/09			32.914%	26.06808	10.26312
1/1/10			32.914%	26.06808	10.26312
4/1/10			32.914%	26.06808	10.26312
7/1/10			32.914%	26.06808	10.26312

U.S. National Contract

SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.62136	3.95243
12/31/08 Industry Rate				24.08453	4.02993
1/1/09			97.773%	24.08453	4.02993
4/1/09			97.773%	24.08453	4.02993
7/1/09	4.50%		97.773%	25.14420	4.20724
10/1/09			97.773%	25.14420	4.20724
1/1/10			97.773%	25.14420	4.20724
4/1/10			97.773%	25.14420	4.20724
7/1/10			97.773%	25.14420	4.20724

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				25.55267	5.45120
12/31/08 Industry Rate				26.04748	5.55676
1/1/09			94.844%	26.04748	5.55676
4/1/09			94.844%	26.04748	5.55676
7/1/09	4.50%		94.844%	27.15917	5.79392
10/1/09			94.844%	27.15917	5.79392
1/1/10			94.844%	27.15917	5.79392
4/1/10			94.844%	27.15917	5.79392
7/1/10			94.844%	27.15917	5.79392

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				22.28288	3.87899
12/31/08 Industry Rate				22.70594	3.95264
1/1/09			92.841%	22.70594	3.95264
4/1/09			92.841%	22.70594	3.95264
7/1/09	4.50%		92.841%	23.65456	4.11777
10/1/09			92.841%	23.65456	4.11777
1/1/10			92.841%	23.65456	4.11777
4/1/10			92.841%	23.65456	4.11777
7/1/10			92.841%	23.65456	4.11777

U.S. National Contract

TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.16080	3.94353
12/31/08 Industry Rate				23.61778	4.02134
1/1/09			92.995%	23.61778	4.02134
4/1/09			92.995%	23.61778	4.02134
7/1/09	4.50%		92.995%	24.60613	4.18962
10/1/09			92.995%	24.60613	4.18962
1/1/10			92.995%	24.60613	4.18962
4/1/10			92.995%	24.60613	4.18962
7/1/10			92.995%	24.60613	4.18962

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				19.29513	3.15370
12/31/08 Industry Rate				19.67347	3.21554
1/1/09			96.432%	19.67347	3.21554
4/1/09			96.432%	19.67347	3.21554
7/1/09	4.50%		96.432%	20.52718	3.35508
10/1/09			96.432%	20.52718	3.35508
1/1/10			96.432%	20.52718	3.35508
4/1/10			96.432%	20.52718	3.35508
7/1/10			96.432%	20.52718	3.35508

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.55668	4.06186
12/31/08 Industry Rate				24.04707	4.14642
1/1/09			95.616%	24.04707	4.14642
4/1/09			95.616%	24.04707	4.14642
7/1/09	4.50%		95.616%	25.08175	4.32483
10/1/09			95.616%	25.08175	4.32483
1/1/10			95.616%	25.08175	4.32483
4/1/10			95.616%	25.08175	4.32483
7/1/10			95.616%	25.08175	4.32483

IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				21.75733	5.70456
12/31/08 Industry Rate				22.18363	5.81633
1/1/09			94.321%	22.18363	5.81633
4/1/09			94.321%	22.18363	5.81633
7/1/09	4.50%		94.321%	23.12520	6.06320
10/1/09			94.321%	23.12520	6.06320
1/1/10			94.321%	23.12520	6.06320
4/1/10			94.321%	23.12520	6.06320
7/1/10			94.321%	23.12520	6.06320

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				24.03698	4.28436
12/31/08 Industry Rate				24.50749	4.36822
1/1/09			95.333%	24.50749	4.36822
4/1/09			95.333%	24.50749	4.36822
7/1/09	4.50%		95.333%	25.55886	4.55562
10/1/09			95.333%	25.55886	4.55562
1/1/10			95.333%	25.55886	4.55562
4/1/10			95.333%	25.55886	4.55562
7/1/10			95.333%	25.55886	4.55562

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				34.95760	7.13204
12/31/08 Industry Rate				35.25372	7.19246
1/1/09			0.000%	35.25372	7.19246
4/1/09			0.000%	35.25372	7.19246
7/1/09			0.000%	35.25372	7.19246
10/1/09			0.000%	35.25372	7.19246
1/1/10			0.000%	35.25372	7.19246
4/1/10			0.000%	35.25372	7.19246
7/1/10			0.000%	35.25372	7.19246

Each railroad has been benchmarked as independent even though a national agreement was signed 9/1/07.

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				28.75297	9.70919
12/31/08 Industry Rate				29.28383	9.88845
1/1/09			55.570%	29.28383	9.88845
4/1/09			55.570%	29.28383	9.88845
7/1/09	4.50%		55.570%	30.01611	10.13572
10/1/09			55.570%	30.01611	10.13572
1/1/10			55.570%	30.01611	10.13572
4/1/10			55.570%	30.01611	10.13572
7/1/10			55.570%	30.01611	10.13572

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				42.80152	1.48043
12/31/08 Industry Rate				42.80152	1.48043
1/1/09	4.00%		100.000%	44.51358	1.53965
4/1/09			100.000%	44.51358	1.53965
7/1/09			100.000%	44.51358	1.53965
10/1/09			100.000%	44.51358	1.53965
1/1/10	4.50%		100.000%	46.51670	1.60893
4/1/10			100.000%	46.51670	1.60893
7/1/10			100.000%	46.51670	1.60893

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2008 AVG			362.49216	77.64235
12/31/08			368.15461	

Should match check sum on National
Increase Applicability for U.S. Total page.

1132.785%

ok matches

ok matches

ok matches

All three should match
check sums on U.S.
Benchmark page.

ok matches

0.125%

CB Tuesday, March 2, 2010

CREDIT MARKETS

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Jan. Index level	CHG FROM (%)	Dec. '09	Jan. '09
U.S. consumer price index				
All items	216.687	0.3	2.6	
Core	220.086	0.0	1.8	

International rates

	Week	52-WEEK		
	Latest	ago	High	Low
Prime rates				
Canada	2.25	2.25	1.00	2.25
Euro zone	2.00	1.00	2.00	1.00
Japan	1.425	1.475	1.475	1.475
Switzerland	0.53	0.52	0.55	0.51
Britain	0.50	0.50	1.00	0.50
Australia	3.75	3.75	3.75	3.00
Hong Kong	5.25	5.25	5.25	5.00

Overnight repurchase

	Week	52-WEEK		
	Latest	ago	High	Low
U.S. government rates				
Discount	0.25	0.25	0.75	0.50
Federal funds				
Effective rate	0.14	0.13	0.26	0.09
High	0.3800	0.3800	0.5000	0.2500
Low	0.0313	0.0313	0.3200	0.0000
Mid	0.1000	0.0625	0.2500	0.0000
Offer	0.2500	0.0250	0.5000	0.0200

U.S. government rates

	Week	52-WEEK		
	Latest	ago	High	Low
Treasury bill auction				
4 weeks	0.055	0.060	0.205	0.000
13 weeks	0.125	0.100	0.280	0.040
26 weeks	0.185	0.190	0.460	0.130

Notes on data:

U.S. prime rate is effective December 16, 2008. Discount rate is effective February 19, 2010. U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks. Other prime rates aren't directly comparable; lending practices vary widely by location. Discount rate is the charge on loans to depository institutions by the New York Federal Reserve Bank. Federal funds rate is on reserves traded among commercial banks for overnight use in amounts of \$1 million or more. Call money rate is the charge on loans to brokers on stock-exchange collateral. Dealer commercial paper rates are for high-grade unsecured notes sold through dealers by major corporations. Freddie Mac RNY is the required net yield for the one-year 2% rate-capped ARM. Libor is the British Bankers' Association average of interbank offered rates for dollar deposits in the London market. Libor Swaps quoted are mid-market, semi-annual swap rates and pay the floating 3-month Libor rate. New York Funding Rate is the survey-based average of unsecured bank funding costs.

Sources: BofA Merrill Lynch; Bureau of Labor Statistics; ICAP plc; Thomson Reuters; General Electric Capital Corp.; Tullett Prebon Information, Ltd.

Reuters Group PLC is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones indexes.

March 1, 2010

Secondary market

Freddie Mac

	Week	52-WEEK		
	Latest	ago	High	Low
30-year mortgage yields				
30 days	4.68	4.80	5.95	4.20
60 days	4.74	4.86	5.55	4.30
One-year RNY	2.500	2.500	3.375	2.500

Fannie Mae

	Week	52-WEEK		
	Latest	ago	High	Low
30-year mortgage yields				
30 days	4.69	4.83	5.50	4.28
60 days	4.76	4.88	5.59	4.31

Bankers acceptance

	Week	52-WEEK		
	Latest	ago	High	Low
30 days	0.22	0.22	0.75	0.21
60 days	0.25	0.25	1.03	0.23
90 days	0.28	0.28	1.25	0.25
120 days	0.28	0.28	1.43	0.26
150 days	0.33	0.33	1.63	0.31
180 days	0.34	0.34	1.80	0.35

Other short-term rates

Call money

	Week	52-WEEK		
	Latest	ago	High	Low
2.00	2.00	2.00	2.00	2.00

Commercial paper

	Week	52-WEEK		
	Latest	ago	High	Low
30 to 39 days	0.13			
40 to 59 days	0.14			
60 to 74 days	0.15			
75 to 89 days	0.18			
90 to 129 days	0.19			
130 to 149 days	0.22			
150 to 179 days	0.27			
180 to 209 days	0.30			
210 to 239 days	0.33			
240 to 279 days	0.35			

Dealer commercial paper

	Week	52-WEEK		
	Latest	ago	High	Low
30 days	0.21	0.21	0.80	0.20
60 days	0.22	0.22	1.20	0.20
90 days	0.23	0.23	1.35	0.21

Euro commercial paper

	Week	52-WEEK		
	Latest	ago	High	Low
30 day	n.a.	n.a.	0.93	0.10
Two month	n.a.	n.a.	1.19	0.18
Three month	0.40	0.41	1.56	0.39
Four month	0.45	0.45	1.62	0.43
Five month	0.51	0.51	1.67	0.50
Six month	0.62	0.63	1.69	0.62

London interbank offered rate, or Libor

	Week	52-WEEK		
	Latest	ago	High	Low
One month	0.22813	0.22875	0.56438	0.22813
Three month	0.25164	0.25219	1.33125	0.24875
Six month	0.38375	0.39313	1.96188	0.38250
One year	0.83938	0.87313	2.29750	0.83750

New York Funding Rate

	Week	52-WEEK		
	Latest	ago	High	Low
One month	0.2154	0.2175	0.5955	0.2032
Three month	0.2525	0.2506	1.3550	0.2381

Libor Swaps (basis)

	Week	52-WEEK		
	Latest	ago	High	Low
Two year	1.047	1.188	1.941	0.994
Three year	1.645	1.813	2.996	1.523
Five year	2.574	2.778	3.511	2.217
Ten year	3.884	3.991	4.325	2.865
20 year	4.304	4.493	4.605	3.205
30 year	4.413	4.587	4.621	3.186

Euro Libor

	Week	52-WEEK		
	Latest	ago	High	Low
One month	0.383	0.386	1.508	0.383
Three month	0.600	0.605	1.814	0.587
Six month	0.911	0.918	1.922	0.910
One year	1.196	1.209	2.029	1.194

Euro interbank offered rate (Euribor)

	Week	52-WEEK		
	Latest	ago	High	Low
One month	0.415	0.420	1.518	0.415
Three month	0.655	0.661	1.811	0.655
Six month	0.959	0.965	1.919	0.958
One year	1.216	1.228	2.025	1.215

Hilbor

	Week	52-WEEK		
	Latest	ago	High	Low
One month	0.079	0.069	0.370	0.050
Three month	0.130	0.130	0.973	0.099
Six month	0.230	0.250	1.306	0.226
One year	0.510	0.550	1.764	0.510

Asian dollars

	Week	52-WEEK		
	Latest	ago	High	Low
One month	0.238	0.238	0.573	0.235
Three month	0.259	0.257	1.324	0.255
Six month	0.384	0.396	1.910	0.384
One year	0.839	0.862	2.250	0.839

	Week	52-WEEK		
	Latest	ago	High	Low

Eurodollars (mid rates)

	Week	52-WEEK		
	Latest	ago	High	Low
One month	0.20	0.40	0.30	0.90
Two month	0.30	0.50	0.40	1.13
Three month	0.40	0.60	0.50	1.30
Four month	0.35	0.55	0.45	1.50
Five month	0.35	0.55	0.45	1.58
Six month	0.45	0.65	0.55	1.75

quarterly profit was less than expected, and loan losses were higher.

Investment-grade spreads that tightened

Issuer	Symbol	Coupon (%)	Dec.	Jan.	Feb.
American International Grp	AMG	8.250	AO		
Wal-Mart Stores	WMT	6.500	AO		
JPMorgan Chase	JPM	5.375			
General Electric Capital	GE	5.650			
Industrias Unidas S.A.	UNIDAS	11.500	Ne		
Nuveen Investments	NUVINV	10.500	Ne		
Petrobras International Finance	PETBRA	6.875	Ja		
Telefonos de Mexico S.A. de C.V.	TPONY	5.500	Ne		

And spreads that widened the most

Issuer	Symbol	Coupon (%)	Dec.	Jan.	Feb.
Swiss Re Solutions Holding	SCREI	6.450	Ma		
Citigroup	C	5.625	AO		
Goldman Sachs	GS	5.150	Ja		
Xstrata Canada	XTALM	7.250	Ne		
Chevron	CVX	3.450	Ma		
Digital	DIGIT	8.875	Ja		
Pacificorp	PAC	6.000	Ja		
Eggrand S.A.	EG	8.500	Fe		

High-yield issues with the biggest price in

Issuer	Symbol	Coupon (%)	Dec.	Jan.	Feb.
Visteon	VSTWD	7.000	Ma		
American International Grp	AMG	6.250	Ne		
Frontier Communications	FTR	7.450	Ne		
Treehouse Foods	THSX	7.750	Ma		
Eastman Kodak	EK	7.250	Ne		
CIT	CIT	7.000	Ne		
ArvinMeritor	ARM	8.750	Ma		
Motors Liquidation	MTLQQ	7.375	Ne		

And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Dec.	Jan.	Feb.
NXP	NXPBV	9.500	Ne		
Jarden	JAN	8.000	Ne		
Rite Aid	RAD	6.875	AO		
Wachovia Capital Trust III	WFC	5.800	Ne		
Limited Brands	LTD	5.250	Ne		
Discover Financial Services	DFS	10.250	Ne		
Ford Motor Credit	F	7.375	Ne		
Capital One Capital VI	COF	8.875	Ne		

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year spread. Note: Data are for the most active issue of bonds with mat

**RCAF Lump Sum Amortization
2010/Q2**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
CNGT - various ¹	Various	2009Q3	\$158,500	0.00049	0.00196	322,915,071	2008
CSX - ATDA-East	2009Q1	2009Q4	\$1,036,970	0.00321	0.01285	322,915,071	2008
NS - BLET & ATDA	2010Q1	2010Q2	\$15,282,392	0.04733	0.18931	322,915,071	2008
CSX - BLET	2010Q1	2010Q2	\$27,565,086	0.08536	0.34145	322,915,071	2008
Total			\$44,042,949	0.13639			

Should be slightly less than amortized amount.

Fell out							
NS - BLET & ATDA	2009Q2	2009Q2	\$45,772,356	0.14175	0.56699	322,915,071	2008
CSX - BLET	2009Q2	2009Q2	\$31,695,082	0.09815	0.39261	322,915,071	2008

Interest Rate

2008/Q1	3.390
2008/Q2	2.160
2008/Q3	1.870
2008/Q4	1.710
2009/Q1	0.150
2009/Q2	0.300
2009/Q3	0.175
2009/Q4	0.150
2010/Q1	0.060
2010/Q2	0.125
2010/Q3	
2010/Q4	

Lump Sum Adjustment for 2010/Q2	→ 0.136498 or 0.136
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¹ DMIR TCU and WC IBEW

SCHEDULE: DMIR TCU and WC IBEW

Added 2009Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00196			
2009/Q3	4	0.175	0.0438	\$0.00147	\$0.00049	\$0.00000	\$0.00049
2009/Q4	3	0.150	0.0375	\$0.00098	\$0.00049	\$0.00000	\$0.00049
2010/Q1	2	0.060	0.0150	\$0.00049	\$0.00049	\$0.00000	\$0.00049
2010/Q2	1	0.125	0.0313	(\$0.00000)	\$0.00049	\$0.00000	\$0.00049

SCHEDULE: CSX-East ATDA

Added 2009Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.01285			
2009/Q4	4	0.150	0.0375	\$0.00964	\$0.00321	\$0.00000	\$0.00321
2010/Q1	3	0.060	0.0150	\$0.00642	\$0.00321	\$0.00000	\$0.00321
2010/Q2	2	0.125	0.0313	\$0.00321	\$0.00321	\$0.00000	\$0.00321
2010/Q3	1		0.0000	\$0.00000	\$0.00321	\$0.00000	\$0.00321

SCHEDULE: NS BLET & ATDA

Added 2010Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.18931			
2010/Q2	4	0.125	0.0313	\$0.14200	\$0.04736	\$0.00006	\$0.04730
2010/Q3	3		0.0000	\$0.09467	\$0.04733	\$0.00000	\$0.04733
2010/Q4	2		0.0000	\$0.04733	\$0.04733	\$0.00000	\$0.04733
2011/Q1	1		0.0000	\$0.00000	\$0.04733	\$0.00000	\$0.04733

SCHEDULE: CSX BLET

Added 2009Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.34145			
2010/Q2	4	0.125	0.0313	\$0.25613	\$0.08543	\$0.00011	\$0.08532
2010/Q3	3		0.0000	\$0.17075	\$0.08538	\$0.00000	\$0.08538
2010/Q4	2		0.0000	\$0.08538	\$0.08538	\$0.00000	\$0.08538
2011/Q1	1		0.0000	\$0.00000	\$0.08538	\$0.00000	\$0.08538

**RCAF Back Pay Amortization
2010/Q2**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
GTC/CN - 4 unions ¹	Various	2009Q3	\$8,138,167	0.02520219	0.10081	322,915,071	2008
SOO - BMW	2009Q2	2009Q3	\$2,699,783	0.00836066	0.03344	322,915,071	2008
WC - UTU-YMD	2007Q4	2009Q4	(\$67,010)	-0.00020752	-0.00083	322,915,071	2008
GTC/CN - 3 unions ²	Various	2010Q1	(\$24,650)	-0.00007634	-0.00031	322,915,071	2008
CSX - BLET	2009Q4	2010Q2	\$4,922,337	0.01524344	0.06097	322,915,071	2008
BNSF - BLET	2010Q1	2010Q2	\$1,455,601	0.00450769	0.01803	322,915,071	2008
Total			\$17,124,228	0.05303013			

Should be slightly less
than amortized amount.

Fell out

GTW - BMW (ECS offset)	2009Q2	2009Q2	(\$124,812)	-0.00038652	-0.00155	322,915,071	2008
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Interest Rate

2008/Q1	3.390
2008/Q2	2.160
2008/Q3	1.870
2008/Q4	1.710
2009/Q1	0.150
2009/Q2	0.300
2009/Q3	0.175
2009/Q4	0.150
2010/Q1	0.060
2010/Q2	0.125
2010/Q3	
2010/Q4	

Back Pay Adjustment for 2010/Q2

→ 0.05307

or

0.053

¹ BLE BMW; DMIR TCU; WC BLET and IBEW

² BLE BMW, DMIR BLET and UTU

SCHEDULE: BLE BMW; DMIR TCU; WC BLET and IBEW

Added 2009Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.10081			
2009/Q3	4	0.175	0.0438	\$0.07562	\$0.02523	\$0.00004	\$0.02519
2009/Q4	3	0.150	0.0375	\$0.05042	\$0.02523	\$0.00003	\$0.02520
2010/Q1	2	0.060	0.0150	\$0.02521	\$0.02522	\$0.00001	\$0.02521
2010/Q2	1	0.125	0.0313	(\$0.00000)	\$0.02522	\$0.00001	\$0.02521

SCHEDULE: SOO BMW

Added 2009Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.03344			
2009/Q3	4	0.175	0.0438	\$0.02509	\$0.00837	\$0.00001	\$0.00836
2009/Q4	3	0.150	0.0375	\$0.01673	\$0.00837	\$0.00001	\$0.00836
2010/Q1	2	0.060	0.0150	\$0.00836	\$0.00837	\$0.00000	\$0.00836
2010/Q2	1	0.125	0.0313	(\$0.00000)	\$0.00837	\$0.00000	\$0.00836

SCHEDULE: WC UTU-YMD

Added 2009Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				(\$0.00083)			
2009/Q4	4	0.150	0.0375	(\$0.00062)	(\$0.00021)	(\$0.00000)	(\$0.00021)
2010/Q1	3	0.060	0.0150	(\$0.00042)	(\$0.00021)	(\$0.00000)	(\$0.00021)
2010/Q2	2	0.125	0.0313	(\$0.00021)	(\$0.00021)	(\$0.00000)	(\$0.00021)
2010/Q3	1		0.0000	\$0.00000	(\$0.00021)	\$0.00000	(\$0.00021)

SCHEDULE: BLE BMW, DMIR BLET and UTU
 Added 2010Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				(\$0.00031)			
2009/Q4	4	0.150	0.0375	(\$0.00023)	(\$0.00008)	(\$0.00000)	(\$0.00008)
2010/Q1	3	0.060	0.0150	(\$0.00015)	(\$0.00008)	(\$0.00000)	(\$0.00008)
2010/Q2	2	0.125	0.0313	(\$0.00008)	(\$0.00008)	(\$0.00000)	(\$0.00008)
2010/Q3	1		0.0000	\$0.00000	(\$0.00008)	\$0.00000	(\$0.00008)

SCHEDULE: CSX BLET
 Added 2010Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.06097			
2010/Q2	4	0.125	0.0313	\$0.04574	\$0.01526	\$0.00002	\$0.01524
2010/Q3	3		0.0000	\$0.03049	\$0.01525	\$0.00000	\$0.01525
2010/Q4	2		0.0000	\$0.01525	\$0.01525	\$0.00000	\$0.01525
2011/Q1	1		0.0000	\$0.00000	\$0.01525	\$0.00000	\$0.01525

SCHEDULE: BNSF BLET
 Added 2010Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.01803			
2010/Q2	4	0.125	0.0313	\$0.01353	\$0.00451	\$0.00001	\$0.00451
2010/Q3	3		0.0000	\$0.00902	\$0.00451	\$0.00000	\$0.00451
2010/Q4	2		0.0000	\$0.00451	\$0.00451	\$0.00000	\$0.00451
2011/Q1	1		0.0000	\$0.00000	\$0.00451	\$0.00000	\$0.00451

Health and Welfare

	Employees Receiving		Total	
	Pay 2008	Monthly Contribution 2008 Avg. 2010	2008 Avg.	2010
1. All Employees				
a. Group health	172,294	\$1,076.61 \$1,305.91	\$185,493,443.34	\$225,000,457.54
b. Group dental	172,294	45.72 57.29	7,877,281.68	9,870,723.26
c. Early retirement major medical	172,294	110.98 155.96	19,121,188.12	26,870,972.24
d. Group vision	172,294	10.16 10.41	1,750,507.04	1,793,580.54
2. Supplemental Sickness				
a. Signalmen	6,613	8.55 8.65	56,541.15	57,202.45
b. Shopcrafts	25,821	30.04 25.71	775,662.84	663,857.91
c. MOW	26,204	14.89 24.90	390,177.56	652,479.60
d. Yardmasters	1,881	33.21 32.16	62,468.01	60,492.96
3. Short-Term Disability				
a. Engineers (CSX, KCS, UP)	14,620	40.00 40.00	584,800.00	584,800.00
b. Engineers (SOO, \$40 began 2Q 2006)	456	40.00 40.00	18,240.00	18,240.00
4. Monthly Total Premiums			216,130,309.74	265,572,806.50
5. Monthly Employee Contributions To H&W				
a. National BLET (BNSF, CSX, KCS, NS, UP)	27,033	(\$166.25) (\$200.00)	(\$4,494,236.25)	(\$5,406,600.00)
b. National BMW (BNSF, CSX, KCS, NS, UP)	24,330	(\$166.25) (\$200.00)	(\$4,044,862.50)	(4,866,000.00)
c. National BRS (BNSF, CSX, KCS, NS, UP)	6,265	(\$166.25) (\$200.00)	(\$1,041,556.25)	(1,253,000.00)
d. National IAM (BNSF, CSX, KCS, NS, UP)	6,838	(\$158.69) (\$200.00)	(\$1,085,122.22)	(1,367,600.00)
e. National IBBM (BNSF, CSX, KCS, NS, UP)	1,012	(\$166.25) (\$200.00)	(\$168,245.00)	(202,400.00)
f. National IBEW (BNSF, CSX, KCS, NS, UP)	5,119	(\$166.25) (\$200.00)	(\$851,033.75)	(1,023,800.00)
g. National NCFO (BNSF, CSX, KCS, NS, UP)	2,466	(\$166.25) (\$200.00)	(\$409,972.50)	(493,200.00)
h. National SMW (BNSF, CSX, KCS, NS, UP)	1,038	(\$166.25) (\$200.00)	(\$172,567.50)	(207,600.00)
i. National TCU (BNSF, CSX, KCS, NS, UP)	6,863	(\$166.25) (\$200.00)	(\$1,140,973.75)	(1,372,600.00)
j. National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,467	(\$166.25) (\$200.00)	(\$1,740,138.75)	(2,093,400.00)
k. National UTU (BNSF, CSX, KCS, NS, UP)	42,698	(\$168.35) (\$200.00)	(\$7,188,208.30)	(8,539,600.00)
l. National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,701	(\$168.35) (\$200.00)	(\$286,363.35)	(340,200.00)
m. National ATDA (wt. avg. BNSF, KCS, NS, & CSX*)	1,845	(\$165.00) (\$200.00)	(\$304,425.00)	(369,000.00)
n. Independent CNGT (wt avg all 104 union categories)	5,917	(\$92.65) (\$107.74)	(\$548,210.05)	(637,497.58)
o. Independent SOO (weighted average all 13 unions)	2,359	(\$129.96) (\$200.00)	(\$306,575.64)	(471,800.00)
p. Independent UP (Yardmasters only)	22	(\$164.75) (\$200.00)	(\$3,624.50)	(4,400.00)
Total Major Union	145,973		(\$23,786,115.31)	(\$28,648,697.58)
All Other Employee Contributions**			(\$3,424,986.86)	(\$3,424,986.86)
6. Net Employer Monthly Payments			\$188,919,207.57	\$233,499,122.06
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments				1.23597
8. H&W hourly rate for base year			\$5.554	
9. H&W hourly rate for projected quarter				\$6.865

* 70% of CSX Dispatchers participate in national agreement, remaining have independent agreement.

** Mostly non-union employee contributions. The \$23,786,115.31 in major union contributions, plus \$3,424,986.86 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey.

Railroad Retirement and Medicare

Employees Receiving Pay	172,294	(2008 Benchmark, 2007 RRB Distribution)
Tier I Maximum	106,800	(Year = 2010)
Tier II Maximum	79,200	(Year = 2010)
Medicare Maximum	no limit	(Year = 2010)
Tier I Tax Rate	6.20%	(Year = 2010)
Tier II Tax Rate	12.10%	(Year = 2010)
Medicare Tax Rate	1.45%	(Year = 2010)

USA RCAF	Rate	Factor	RR Ret Tax	Hourly Rate
2007	\$30.806			
2008	\$32.537	1.05619	\$559,200,955	\$6.755
1Q/2010	\$34.810	1.12997	\$593,903,622	\$7.174
2Q/2010	\$34.787	1.12923	\$593,635,712	\$7.171
3Q/2010		0.00000	\$0	\$0.000
4Q/2010		0.00000	\$0	\$0.000

RR Ret Tax from RR_Retirement_08annual.xls, Hourly rate from SUPPL2008.xls
Rate = Taxable Rate

1Q/2010

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2008	Avg Annual Earnings (2007 RRB Stats)	Estimated				Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emg	Medicare Tot Tax Emg
				Avg Annual Earnings	Avg. Annual Earnings	Avg Qlty Earnings	Avg Qlty Earnings						
\$0 - 21699	0.416	717	\$8,597	\$8,714	\$2,429	\$2,429	\$2,429	\$1,740,681	\$1,740,681	\$2,429	\$1,740,681	\$1,740,681	\$1,740,681
21700 - 23699	0.046	78	\$21,950	24,803	6,201	6,201	6,201	491,441	491,441	6,201	491,441	491,441	491,441
23700 - 25699	0.093	160	\$24,743	27,959	6,990	6,990	6,990	1,119,990	1,119,990	6,990	1,119,990	1,119,990	1,119,990
25700 - 27699	0.185	319	\$27,005	30,515	7,629	7,629	7,629	2,431,615	2,431,615	7,629	2,431,615	2,431,615	2,431,615
27700 - 29699	0.139	239	\$28,634	32,358	8,089	8,089	8,089	1,937,206	1,937,206	8,089	1,937,206	1,937,206	1,937,206
29700 - 31699	0.370	637	\$30,598	34,575	8,644	8,644	8,644	5,510,280	5,510,280	8,644	5,510,280	5,510,280	5,510,280
31700 - 33699	0.509	877	\$32,918	37,197	9,299	9,299	9,299	8,155,115	8,155,115	9,299	8,155,115	8,155,115	8,155,115
33700 - 35699	1.157	1,983	\$34,798	39,321	9,830	9,830	9,830	19,595,959	19,595,959	9,830	19,595,959	19,595,959	19,595,959
35700 - 37699	1.249	2,152	\$36,958	41,762	10,440	10,440	10,440	22,467,243	22,467,243	10,440	22,467,243	22,467,243	22,467,243
37700 - 39699	1.064	1,833	\$38,770	43,809	10,952	10,952	10,952	20,077,808	20,077,808	10,952	20,077,808	20,077,808	20,077,808
39700 - 41699	1.620	2,791	\$40,791	46,093	11,523	11,523	11,523	32,163,125	32,163,125	11,523	32,163,125	32,163,125	32,163,125
41700 - 43699	3.054	5,262	\$42,838	48,406	12,101	12,101	12,101	63,676,194	63,676,194	12,101	63,676,194	63,676,194	63,676,194
43700 - 45699	3.239	5,581	\$44,701	50,511	12,628	12,628	12,628	70,470,453	70,470,453	12,628	70,470,453	70,470,453	70,470,453
45700 - 47699	5.183	8,930	\$46,798	52,869	13,217	13,217	13,217	118,030,586	118,030,586	13,217	118,030,586	118,030,586	118,030,586
47700 - 49699	4.859	8,372	\$48,828	55,174	13,794	13,794	13,794	115,476,792	115,476,792	13,794	115,476,792	115,476,792	115,476,792
49700 - 51699	5.044	8,691	\$50,721	57,313	14,328	14,328	14,328	124,520,759	124,520,759	14,328	124,520,759	124,520,759	124,520,759
51700 - 53699	5.507	9,488	\$52,702	59,552	14,888	14,888	14,888	141,260,600	141,260,600	14,888	141,260,600	141,260,600	141,260,600
53700 - 55699	3.887	6,697	\$54,652	61,755	15,439	15,439	15,439	103,394,985	103,394,985	15,439	103,394,985	103,394,985	103,394,985
55700 - 57699	4.489	7,734	\$56,747	64,123	16,031	16,031	16,031	123,985,640	123,985,640	16,031	123,985,640	123,985,640	123,985,640
57700 - 59699	4.165	7,176	\$58,680	66,307	16,577	16,577	16,577	118,955,352	118,955,352	16,577	118,955,352	118,955,352	118,955,352
59700 - 61699	3.785	6,539	\$60,668	68,553	17,138	17,138	17,138	112,059,926	112,059,926	17,138	112,059,926	112,059,926	112,059,926
61700 - 63699	3.378	5,820	\$62,678	70,822	17,706	17,706	17,706	103,048,053	103,048,053	17,706	103,048,053	103,048,053	103,048,053
63700 - 65699	3.517	6,060	\$64,618	73,017	18,254	18,254	18,254	110,612,639	110,612,639	18,254	110,612,639	110,612,639	110,612,639
65700 - 67699	3.008	5,183	\$66,733	75,407	18,852	18,852	18,852	97,700,628	97,700,628	18,852	97,700,628	97,700,628	97,700,628
67700 - 69699	3.332	5,741	\$68,641	77,563	19,391	19,391	19,391	111,318,532	111,318,532	19,391	111,318,532	111,318,532	111,318,532
69700 - 71699	2.915	5,022	\$70,841	79,823	19,956	19,956	19,956	100,224,586	100,224,586	19,956	100,224,586	100,224,586	100,224,586
71700 - 73699	2.776	4,783	\$72,631	82,071	20,518	20,518	20,518	98,134,194	98,134,194	20,518	98,134,194	98,134,194	98,134,194
73700 - 75699	2.175	3,747	\$74,664	84,368	21,092	21,092	21,092	79,040,447	79,040,447	21,092	79,040,447	79,040,447	79,040,447
75700 - 77699	1.990	3,429	\$76,668	86,633	21,658	21,658	21,658	74,258,485	74,258,485	21,658	74,258,485	74,258,485	74,258,485
77700 - 79699	2.082	3,587	\$78,663	88,887	22,222	22,222	22,222	71,025,789	71,025,789	22,222	71,025,789	71,025,789	71,025,789
79700 - 81699	2.082	3,587	\$80,749	91,244	22,811	22,811	22,811	81,827,023	81,827,023	22,811	81,827,023	81,827,023	81,827,023
81700 - 83699	1.897	3,268	\$82,733	93,486	23,372	23,372	23,372	76,387,972	76,387,972	23,372	76,387,972	76,387,972	76,387,972
83700 - 85699	1.805	3,110	\$84,822	95,847	23,962	23,962	23,962	74,518,583	74,518,583	23,962	74,518,583	74,518,583	74,518,583
85700 - 87699	1.712	2,950	\$86,633	97,893	24,473	24,473	24,473	72,188,163	72,188,163	24,473	72,188,163	72,188,163	72,188,163
87700 - 89699	1.666	2,870	\$88,609	100,126	25,031	25,031	25,031	71,850,816	71,850,816	25,031	71,850,816	71,850,816	71,850,816
89700 - 91699	1.388	2,391	\$90,672	102,457	25,614	25,614	25,614	61,254,999	61,254,999	25,614	61,254,999	61,254,999	61,254,999
91700 - 93699	1.249	2,152	\$92,524	104,550	26,137	26,137	26,137	56,246,527	56,246,527	26,137	56,246,527	56,246,527	56,246,527
93700 - 95699	1.018	1,754	\$94,554	106,844	26,700	26,700	26,700	46,830,543	46,830,543	26,711	46,830,543	46,849,672	46,849,672
95700 - over	11.940	20,572	\$142,633	161,172	26,700	26,700	26,700	549,269,826	549,269,826	40,293	407,323,691	828,902,059	828,902,059
TOTAL	100.000000	172,294	\$70,505		Total Taxable	3,151,946,940	2,882,022,610	0.062	0.121		3,431,598,302	0.0145	

Qty	Pmt	\$195,420,710	\$348,724,736	\$49,758,175
Tier I & II & Medicare				\$593,903,622

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2008	Avg Annual Earnings (2007 RRB Stats)	Estimated		Avg City Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emg	Medicare Tot Tax Emg
				Avg. Annual Earnings								
\$0 - 21699	0.416	717	\$8,587	\$9,708	\$2,427	\$2,427	\$2,427	\$2,427	\$2,427	\$1,739,531	\$1,739,531	\$1,739,531
21700 - 23699	0.046	79	\$21,950	24,787	6,197	6,197	6,197	6,197	6,197	491,116	491,116	491,116
23700 - 25699	0.093	160	\$24,743	27,940	6,985	6,985	7,624	7,624	6,985	1,119,250	1,119,250	1,119,250
25700 - 27699	0.185	319	\$27,005	30,495	7,624	7,624	8,084	8,084	7,624	2,430,008	2,430,008	2,430,008
27700 - 29699	0.139	239	\$28,634	32,334	8,084	8,084	8,638	8,638	8,084	1,935,926	1,935,926	1,935,926
29700 - 31699	0.370	637	\$30,598	34,552	8,638	8,638	9,293	9,293	8,638	5,506,639	5,506,639	5,506,639
31700 - 33699	0.509	877	\$32,918	37,172	9,293	9,293	9,824	9,824	9,293	8,149,727	8,149,727	8,149,727
33700 - 35699	1.157	1,983	\$34,798	39,295	9,824	9,824	10,434	10,434	9,824	19,583,011	19,583,011	19,583,011
35700 - 37699	1.249	2,152	\$36,958	41,734	10,434	10,434	10,945	10,945	10,434	22,452,398	22,452,398	22,452,398
37700 - 39699	1.064	1,833	\$38,770	43,780	10,945	10,945	11,516	11,516	10,945	20,064,542	20,064,542	20,064,542
39700 - 41699	1.820	2,791	\$40,791	46,082	11,516	11,516	12,093	12,093	11,516	32,141,874	32,141,874	32,141,874
41700 - 43699	3.054	5,262	\$42,838	48,374	12,093	12,093	12,619	12,619	12,093	63,634,121	63,634,121	63,634,121
43700 - 45699	3.239	5,581	\$44,701	50,478	12,619	12,619	13,209	13,209	12,619	70,423,891	70,423,891	70,423,891
45700 - 47699	5.183	8,930	\$46,788	52,834	13,209	13,209	13,784	13,784	13,209	117,952,600	117,952,600	117,952,600
47700 - 49699	4.859	8,372	\$48,828	55,138	13,784	13,784	14,319	14,319	13,784	115,400,493	115,400,493	115,400,493
49700 - 51699	5.044	8,691	\$50,721	57,276	14,319	14,319	14,878	14,878	14,319	124,438,485	124,438,485	124,438,485
51700 - 53699	5.507	9,488	\$52,702	59,513	14,878	14,878	15,429	15,429	14,878	141,167,265	141,167,265	141,167,265
53700 - 55699	3.887	6,697	\$54,652	61,715	15,429	15,429	16,020	16,020	15,429	103,326,669	103,326,669	103,326,669
55700 - 57699	4.489	7,734	\$56,747	64,080	16,020	16,020	16,566	16,566	16,020	123,903,719	123,903,719	123,903,719
57700 - 59699	4.165	7,176	\$58,680	66,263	16,566	16,566	17,127	17,127	16,566	118,876,754	118,876,754	118,876,754
59700 - 61699	3.795	6,539	\$60,668	68,508	17,127	17,127	17,694	17,694	17,127	111,985,885	111,985,885	111,985,885
61700 - 63699	3.378	5,820	\$62,678	70,775	17,694	17,694	18,242	18,242	17,694	102,979,966	102,979,966	102,979,966
63700 - 65699	3.517	6,060	\$64,618	72,968	18,242	18,242	18,839	18,839	18,242	110,539,554	110,539,554	110,539,554
65700 - 67699	3.008	5,183	\$66,733	75,357	18,839	18,839	19,378	19,378	18,839	97,636,074	97,636,074	97,636,074
67700 - 69699	3.332	5,741	\$68,841	77,511	19,378	19,378	19,942	19,942	19,378	111,244,980	111,244,980	111,244,980
69700 - 71699	2.915	5,022	\$70,841	79,770	19,942	19,942	20,504	20,504	19,942	100,158,365	99,442,928	100,158,365
71700 - 73699	2.776	4,783	\$72,631	82,017	20,504	20,504	21,078	21,078	20,504	98,069,354	94,701,053	98,069,354
73700 - 75699	2.175	3,747	\$74,864	84,313	21,078	21,078	21,644	21,644	21,078	78,988,223	74,198,411	78,988,223
75700 - 77699	1.990	3,429	\$76,868	86,576	21,644	21,644	22,207	22,207	21,644	74,209,420	67,887,282	74,209,420
77700 - 79699	2.082	3,587	\$78,663	88,828	22,207	22,207	22,796	22,796	22,207	79,660,506	71,025,789	79,660,506
79700 - 81699	2.082	3,587	\$80,749	91,184	22,796	22,796	23,356	23,356	22,796	81,772,958	71,025,789	81,772,958
81700 - 83699	1.897	3,268	\$82,733	93,424	23,356	23,356	23,946	23,946	23,356	76,337,500	64,714,660	76,337,500
83700 - 85699	1.805	3,110	\$84,822	95,783	23,946	23,946	24,57	24,57	23,946	74,469,347	61,576,153	74,469,347
85700 - 87699	1.712	2,950	\$86,833	97,828	24,57	24,57	25,015	25,015	24,57	58,403,531	58,403,531	72,140,466
87700 - 89699	1.666	2,870	\$88,809	100,060	25,015	25,015	25,597	25,597	25,015	56,834,277	56,834,277	71,803,342
89700 - 91699	1.388	2,391	\$90,672	102,389	25,597	25,597	26,120	26,120	25,597	47,350,526	47,350,526	61,214,526
91700 - 93699	1.249	2,152	\$92,524	104,481	26,120	26,120	26,700	26,700	26,120	56,209,363	42,608,651	56,209,363
93700 - 95699	1.018	1,754	\$94,554	106,773	26,693	26,700	27,286	27,286	26,693	46,830,543	34,728,268	46,818,717
95700 - over	11.940	20,572	\$142,633	161,065	40,266	26,700			40,266	549,269,828	407,323,691	828,354,378
TOTAL	100.000	172,284							Total Taxable Tax Rate	3,150,258,217 0.062	2,880,945,488 0.121	3,429,330,944 0.0145

Qty	Pmt	\$195,316,009	\$348,594,404	\$49,725,299
Tier I & II & Medicare				
				\$593,635,712

Railroad Retirement & Medicare, U.S.

3Q/2010

3Q/2010

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2008	Avg Annual Earnings (2007 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emgs	Medicare Tot Tax Emg
\$0 - 21699	0.416	717	\$9,597	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21700 - 23699	0.046	79	\$21,950	0	0	0	0	0	0	0	0
23700 - 25699	0.093	160	\$24,743	0	0	0	0	0	0	0	0
25700 - 27699	0.185	319	\$27,005	0	0	0	0	0	0	0	0
27700 - 29699	0.139	239	\$28,634	0	0	0	0	0	0	0	0
29700 - 31699	0.370	637	\$30,598	0	0	0	0	0	0	0	0
31700 - 33699	0.509	877	\$32,918	0	0	0	0	0	0	0	0
33700 - 35699	1.157	1,983	\$34,798	0	0	0	0	0	0	0	0
35700 - 37699	1.249	2,152	\$36,958	0	0	0	0	0	0	0	0
37700 - 39699	1.064	1,833	\$38,770	0	0	0	0	0	0	0	0
39700 - 41699	1.620	2,791	\$40,791	0	0	0	0	0	0	0	0
41700 - 43699	3.054	5,262	\$42,838	0	0	0	0	0	0	0	0
43700 - 45699	3.239	5,581	\$44,701	0	0	0	0	0	0	0	0
45700 - 47699	5.183	8,930	\$46,788	0	0	0	0	0	0	0	0
47700 - 49699	4.859	8,372	\$48,828	0	0	0	0	0	0	0	0
49700 - 51699	5.044	8,691	\$50,721	0	0	0	0	0	0	0	0
51700 - 53699	5.507	9,488	\$52,702	0	0	0	0	0	0	0	0
53700 - 55699	3.887	6,697	\$54,652	0	0	0	0	0	0	0	0
55700 - 57699	4.489	7,734	\$56,747	0	0	0	0	0	0	0	0
57700 - 59699	4.165	7,176	\$58,680	0	0	0	0	0	0	0	0
59700 - 61699	3.795	6,539	\$60,668	0	0	0	0	0	0	0	0
61700 - 63699	3.378	5,820	\$62,676	0	0	0	0	0	0	0	0
63700 - 65699	3.517	6,060	\$64,618	0	0	0	0	0	0	0	0
65700 - 67699	3.008	5,183	\$66,733	0	0	0	0	0	0	0	0
67700 - 69699	3.332	5,741	\$68,841	0	0	0	0	0	0	0	0
69700 - 71699	2.915	5,022	\$70,841	0	0	0	0	0	0	0	0
71700 - 73699	2.776	4,783	\$72,831	0	0	0	0	0	0	0	0
73700 - 75699	2.175	3,747	\$74,864	0	0	0	0	0	0	0	0
75700 - 77699	1.990	3,429	\$76,868	0	0	0	0	0	0	0	0
77700 - 79699	2.082	3,587	\$78,863	0	0	0	0	0	0	0	0
79700 - 81699	2.082	3,587	\$80,749	0	0	0	0	0	0	0	0
81700 - 83699	1.897	3,268	\$82,733	0	0	0	0	0	0	0	0
83700 - 85699	1.805	3,110	\$84,822	0	0	0	0	0	0	0	0
85700 - 87699	1.712	2,950	\$86,833	0	0	0	0	0	0	0	0
87700 - 89699	1.666	2,870	\$88,809	0	0	0	0	0	0	0	0
89700 - 91699	1.388	2,391	\$90,672	0	0	0	0	0	0	0	0
91700 - 93699	1.249	2,152	\$92,524	0	0	0	0	0	0	0	0
93700 - 95699	1.018	1,754	\$94,554	0	0	0	0	0	0	0	0
95700 - over	11.940	20,572	\$142,633	0	0	26,700	19,800	0	549,269,826	407,323,691	0
TOTAL	100.000	172,294									
Total Taxable Tax Rate									549,277,130	662,675,785	0
									0.062	0.121	0.0145

Qty Pmt \$34,055,182 \$80,183,770 \$0
Tier I & II & Medicare \$114,238,952

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2008	Avg Annual Earnings (2007 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emgs	Medicare Tot Tax Emg
\$0 - 4999	0.416	717	\$8,597	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5000 - 9999	0.046	79	\$21,950	0	0	0	0	0	0	0	0
10000 - 12499	0.083	160	\$24,743	0	0	0	0	0	0	0	0
12500 - 14999	0.185	319	\$27,005	0	0	0	0	0	0	0	0
15000 - 17499	0.139	239	\$28,634	0	0	0	0	0	0	0	0
17500 - 19999	0.370	637	\$30,598	0	0	0	0	0	0	0	0
20000 - 22499	0.509	877	\$32,918	0	0	0	0	0	0	0	0
22500 - 24999	1.157	1,993	\$34,798	0	0	0	0	0	0	0	0
25000 - 27499	1.249	2,152	\$36,958	0	0	0	0	0	0	0	0
27500 - 29999	1.084	1,833	\$38,770	0	0	0	0	0	0	0	0
30000 - 32499	1.620	2,791	\$40,791	0	0	0	0	0	0	0	0
32500 - 34999	3.054	5,262	\$42,838	0	0	0	0	0	0	0	0
35000 - 37499	3.239	5,581	\$44,701	0	0	0	0	0	0	0	0
37500 - 39999	5.183	8,930	\$46,788	0	0	0	0	0	0	0	0
40000 - 42499	4.859	8,372	\$48,828	0	0	0	0	0	0	0	0
42500 - 44999	5.044	8,691	\$50,721	0	0	0	0	0	0	0	0
45000 - 47499	5.507	9,488	\$52,702	0	0	0	0	0	0	0	0
47500 - 49999	3.887	6,697	\$54,652	0	0	0	0	0	0	0	0
50000 - 52499	4.489	7,734	\$56,747	0	0	0	0	0	0	0	0
52500 - 54999	4.165	7,176	\$58,690	0	0	0	0	0	0	0	0
55000 - 57499	3.795	6,539	\$60,668	0	0	0	0	0	0	0	0
57500 - 59999	3.378	5,820	\$62,676	0	0	0	0	0	0	0	0
60000 - 62499	3.517	6,060	\$64,618	0	0	0	0	0	0	0	0
62500 - 64999	3.008	5,183	\$66,733	0	0	0	0	0	0	0	0
65000 - 67499	3.332	5,741	\$68,641	0	0	0	0	0	0	0	0
67500 - 69999	2.915	5,022	\$70,641	0	0	0	0	0	0	0	0
70000 - 72499	2.776	4,783	\$72,631	0	0	0	0	0	0	0	0
72500 - 74999	2.175	3,747	\$74,664	0	0	0	0	0	0	0	0
75000 - 77499	1.990	3,429	\$76,668	0	0	0	0	0	0	0	0
77500 - 79999	2.082	3,587	\$78,663	0	0	0	0	0	0	0	0
80000 - 84999	2.082	3,587	\$80,749	0	0	0	0	0	0	0	0
85000 - 89999	1.897	3,268	\$82,733	0	0	0	0	0	0	0	0
90000 - 94999	1.805	3,110	\$84,822	0	0	0	0	0	0	0	0
95000 - 99999	1.712	2,950	\$86,633	0	0	0	0	0	0	0	0
100000 - 104999	1.666	2,870	\$88,609	0	0	0	0	0	0	0	0
105000 - 109999	1.388	2,391	\$90,672	0	0	0	0	0	0	0	0
110000 - 114999	1.249	2,152	\$92,524	0	0	0	0	0	0	0	0
115000 - 119999	1.018	1,754	\$94,554	0	0	0	0	0	0	0	0
120000 - 124999	11.940	20,572	\$142,633	0	0	459	19,800	0	9,446,959	407,323,691	0
TOTAL	100.000	172,294			0				9,446,959	407,323,691	0
								Total Taxable Tax Rate	0.062	0.121	0.0145

Qty Pmt \$585,711 \$49,286,167
Tier I & II & Medicare \$49,871,878

RCAF Unemployment Insurance Tax

	Unemployment Ins.			RRB	Factor	Avg. Ann.	Un. Ins.
	Tax	Earnings	Hourly	Sample	To Update	Taxable	Hourly
	Rate	Base	Earnings	Year	RRB Sample	Earnings	Rate
			\$28.151	(2004)			
2005 Avg.	2.29%	\$13,800	\$28.884		1.026038	\$12,810.75	\$0.162
4Q/06	2.36%	\$14,340	\$29.136		1.034990	\$13,295.94	\$0.173
1Q/07	2.47%	\$14,760	\$29.220		1.037974	\$13,670.56	\$0.186
2Q/07	2.47%	\$14,760	\$29.238		1.038613	\$13,670.92	\$0.186
3Q/07	2.47%	\$14,760	\$29.336		1.042094	\$13,672.83	\$0.186
			\$28.884	(2005)			
2006 Avg.	2.36%	\$14,340	\$29.465		1.020115	\$13,053.43	\$0.173
4Q/07	2.47%	\$14,760	\$30.476		1.055117	\$13,438.69	\$0.186
1Q/08	2.48%	\$15,360	\$31.071		1.075717	\$13,972.06	\$0.195
2Q/08	2.48%	\$15,360	\$31.090		1.076374	\$13,972.45	\$0.195
3Q/08	2.48%	\$15,360	\$31.594		1.093824	\$13,982.57	\$0.195
			\$29.465	(2006)			
2007 Avg.	2.47%	\$14,760	\$30.806		1.045512	\$13,903.99	\$0.192
3Q/08 reb.	2.48%	\$15,360	\$32.327		1.097132	\$14,473.48	\$0.201
4Q/08	2.48%	\$15,360	\$33.207		1.126998	\$14,487.09	\$0.201
1Q/09	2.47%	\$15,960	\$33.561		1.139012	\$15,038.39	\$0.208
2Q/09	2.47%	\$15,960	\$33.672		1.142780	\$15,040.15	\$0.208
3Q/09	2.47%	\$15,960	\$34.857		1.182997	\$15,058.23	\$0.208
			\$30.806	(2007)			
2008 Avg.	2.48%	\$15,360	\$32.537		1.056190	\$14,329.53	\$0.201
3Q/09 reb.	2.47%	\$15,960	\$35.600		1.155619	\$14,914.18	\$0.208
4Q/09	2.47%	\$15,960	\$34.822		1.130364	\$14,903.49	\$0.208
1Q/10	3.26%	\$15,960	\$34.810		1.129975	\$14,903.32	\$0.275
2Q/10	3.26%	\$15,960	\$34.787		1.129228	\$14,903.00	\$0.275
3Q/10							

Note: Average Annual Taxable Earnings is calculated from the RRB 1% sample data, by multiplying the average annual earnings in the file times the "Factor", and limiting the amount to the earnings base. Thus, the annual hourly earnings used for the calculation of the Factor is for the RRB sample year, and the Factor brings the earnings in the RRB 1% sample file to the current quarter's level.

The SAS System

TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2007 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2806	40208655.30	14329.53
QTRLY_US	2806	41817813.35	14903.00

The SAS System
Factors and Caps 2008 and 2010Q2

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2806	2963.67	1.0561900
FactorQ	2806	3168.61	1.1292280
Capa	2806	43100160.00	15360.00
Capq	2806	44783760.00	15960.00

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
First Quarter 2010
February 26, 2010

United States by Composition Category - Summary

Composition Category -----	Weight -----	Previous Quarter Index -----	Current Quarter Index -----	Relative Of Change -----
Forest Products	.1050	253.95	247.91	.9762
Metal Products	.6389	186.85	182.01	.9741
Miscellaneous Products	.2561	311.28	312.90	1.0052
U.S. By Composition	--	225.76	222.45	.9853
U.S. By Composition (Linked)	--	229.78	226.40	.9853
United States (1977=100) Linking Factor: 1.423	--	326.98	322.17	.9853
United States (1980=100) Linking Factor: 1.061	--	243.80	240.21	.9853



ASSOCIATION OF AMERICAN RAILROADS

MEMORANDUM

TO: File
FROM: Shou-Lien Liu
Cc: Clyde Crimmel
DATE: December 7, 2009
RE: Materials & Supplies Price Revision for [REDACTED]

A railroad (named above) reported a price of \$[REDACTED] for [REDACTED], in the current period 11/15/09 (4Q2009). This price was included in the M&S Index calculation for the 2010Q1 RCAF which was submitted to the STB on December 4, 2009. After the RCAF was filed, the railroad revised the item's price upward from \$[REDACTED] to \$[REDACTED].

A test calculation, using the corrected price of \$[REDACTED], resulted in an M&S Index of 243.8 for the 2010Q1 Rail Cost Adjustment Factor – while 242.7 was originally filed. However, the RCAF's All-Inclusive Index, which uses the M&S Index as a component, rounds to the same number with either version of the M&S Index. Therefore, the revision has **no effect** on any version of the 2010Q1 RCAF. Calculations using both versions of the M&S Index are shown in the attached page.

To make certain that the original price (and the resulting too low M&S Index) does not affect future RCAF calculations (although the probability is low), it was decided that the corrected price should be used in all future calculations. A quick summary of the revision is listed below.

- The M&S Index used in the 2010Q1 RCAF filing was too low.
- A corrected M&S Index value has **no effect** on the 2010Q1 RCAF.
- The M&S Index calculation for the 2010Q2 RCAF treats the prior quarter as if the revised number was always in place. This ensures that the railroad's original price has **no impact** on the 2010Q2 RCAF or any future RCAFs. Therefore, the M&S work paper for the 2010Q2 RCAF will show 243.8 as the previous quarter index instead of the original number, 242.7.
- The Forecast Error Adjustment calculation to be used in the 2010Q3 RCAF, which will compare the Q1 forecast to a Q1 actual, will have a rare difference in the M&S Indexes. The forecast will use the as-filed 242.7, while the actual will use 243.8.

All Inclusive Index and RCAF - Railroad Revision Makes No Difference to RCAF

	3Q/09	3Q/09 08 Wts	% Chg	4Q/09	% Chg	As Filed 1Q/10	% Chg	Revised 1Q/10
Labor	347.20	0.302	0.0%	344.8	-0.7%	356.9	3.5%	356.9
Fuel	231.20	0.252	0.0%	234.4	1.4%	262.6	12.0%	262.6
M&S	255.90	0.051	0.0%	238.8	-6.7%	242.7	1.6%	243.8
Equip. Rents	192.40	0.063	0.0%	197.9	2.9%	198.7	0.4%	198.7
Depreciation	206.00	0.104	0.0%	198.9	-3.4%	203.3	2.2%	203.3
Interest	88.00	0.023	0.0%	83.9	-4.7%	83.9	0.0%	83.9
Other	191.50	0.205	0.0%	198.7	3.8%	199.8	0.6%	199.8
Weighted Avg. Linked	252.70	1.000	-0.7%	251.2	0.1%	262.9	4.7%	262.9
	245.30			245.5	0.1%	256.9	4.6%	256.9
<div> <div>Weighted Avg. rounds to same number.</div> <div>No Difference to RCAF</div> </div>								
10/1/80 basis	238.90	102.7		239.0	0.0%	250.1	4.6%	250.1
10/1/82	202.90	120.9		203.1	0.1%	212.5	4.6%	212.5
4Q/87	185.60	132.2		185.7	0.1%	194.3	4.6%	194.3
4Q/92	156.30	156.9		156.5	0.1%	163.7	4.6%	163.7
4Q/97	141.60	173.2		141.7	0.1%	148.3	4.7%	148.3
4Q/02	127.70	192.1		127.8	0.1%	133.7	4.6%	133.7
4Q/07 basis	99.80	245.9		99.8	0.0%	104.5	4.7%	104.5
Car Hire	182.40	0.439	0.0%	185.5	1.7%	185.8	0.2%	185.8
Lease Rents	191.50	0.561	0.0%	198.7	3.8%	199.8	0.6%	199.8
Wghted Avg Eq Rents	187.60		-0.1%	192.9	2.9%	193.7	0.4%	193.7
Linked Equipment Rents	192.40			197.9	2.9%	198.7	0.4%	198.7
Preliminary RCAF	0.998			0.998	0.00%	1.045	4.7%	1.045
Forecast Error Adj.	(0.060)			(0.002)		(0.007)		(0.007)
RCAF Unadjusted	0.938			0.996	6.18%	1.038	4.2%	1.038
PAF	2.2040			2.2122	0.37%	2.2204	0.37%	2.2204
RCAF Adjusted	0.426			0.450	5.63%	0.467	3.8%	0.467
PAF-5	2.3259			2.3329	0.30%	2.3415	0.37%	2.3415
RCAF-5	0.403			0.427	5.96%	0.443	3.7%	0.443
Weighted Average at 5 digits after the decimal instead of 1						262.88670		262.94280

This Week In Petroleum

Summary

Crude Oil

Gasoline

Distillate

Propane

Prices

Stocks

Production

Imports

Demand

Residential Heating Oil Prices (Cents per Gallon)

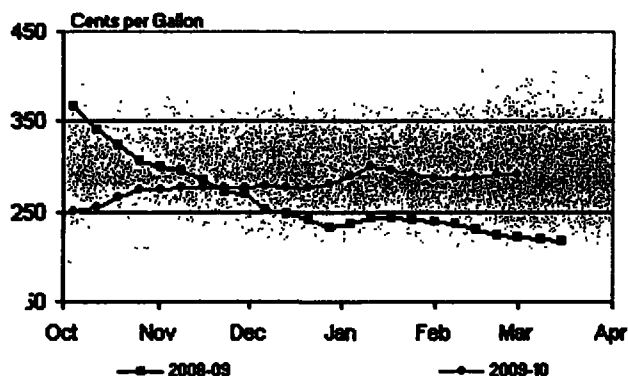
Residential Heating Oil Prices more data								
	Most Recent							Year Ago
	01/18/10	01/25/10	02/01/10	02/08/10	02/15/10	02/22/10	03/01/10	03/02/09
Average	295.2	289.8	286.4	285.1	285.5	290.3	289.9	222.0
East Coast (PADD I)	297.8	292.6	289.2	287.7	288.0	293.0	292.4	226.2
New England (PADD 1A)	296.1	289.8	286.5	286.3	286.2	290.8	290.7	220.8
Central Atlantic (PADD 1B)	302.9	297.8	294.4	291.6	292.4	298.3	297.0	231.9
Lower Atlantic (PADD 1C)	275.9	276.2	272.6	272.1	271.8	273.7	274.6	212.8
Midwest (PADD 2)	261.0	255.0	252.0	252.1	252.9	255.9	257.9	180.7

On-Highway Diesel Fuel Prices (Cents per Gallon)

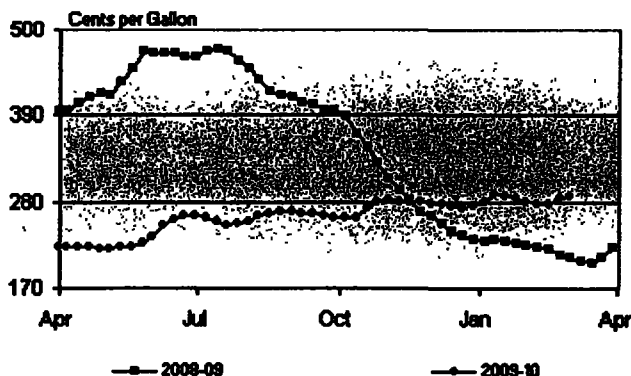
Average All-Types Diesel Fuel Prices more data								
	Most Recent							Year Ago
	01/18/10	01/25/10	02/01/10	02/08/10	02/15/10	02/22/10	03/01/10	03/02/09
U.S.	287.0	283.3	278.1	276.9	275.6	283.2	286.1	208.7
East Coast (PADD I)	292.3	288.3	283.2	281.9	280.9	287.7	290.2	215.3
New England (PADD 1A)	306.5	305.5	301.7	301.4	299.1	301.1	301.8	247.2
Central Atlantic (PADD 1B)	302.3	298.6	292.6	292.0	290.5	296.7	301.3	231.4
Lower Atlantic (PADD 1C)	286.7	282.3	277.5	275.7	275.1	282.6	284.4	205.5
Midwest (PADD 2)	283.4	279.0	273.1	272.4	270.5	279.4	282.5	203.0
Gulf Coast (PADD 3)	283.1	280.0	274.4	272.9	271.8	279.3	281.9	204.3
Rocky Mountain (PADD 4)	282.7	281.7	279.7	278.2	277.7	282.7	285.1	209.1
West Coast (PADD 5)	294.7	291.5	287.6	286.0	284.6	291.8	295.6	218.5
California	300.8	298.7	295.0	292.0	290.2	298.0	302.3	214.4

Ultra Low Sulfur Diesel Fuel Prices more data								
	Most Recent							Year Ago
	01/18/10	01/25/10	02/01/10	02/08/10	02/15/10	02/22/10	03/01/10	03/02/09
U.S.	287.4	283.8	278.7	277.5	276.1	283.4	286.5	209.5
East Coast (PADD I)	292.8	288.8	283.8	282.4	281.5	287.9	290.7	217.0
New England (PADD 1A)	306.5	305.5	301.7	301.4	299.1	301.1	301.8	247.2
Central Atlantic (PADD 1B)	302.3	298.6	292.7	292.1	290.5	296.7	301.3	232.2
Lower Atlantic (PADD 1C)	287.2	282.8	278.1	276.3	275.6	282.7	284.8	206.7
Midwest (PADD 2)	283.9	279.6	273.9	273.2	271.0	279.3	282.8	203.4
Gulf Coast (PADD 3)	283.1	280.0	274.4	272.9	271.9	279.3	282.0	204.3
Rocky Mountain (PADD 4)	282.6	281.6	279.6	277.9	277.5	282.5	285.0	209.4
West Coast (PADD 5)	294.7	291.5	287.6	286.0	284.6	291.8	295.6	219.0
California	300.8	298.7	295.0	292.0	290.2	298.0	302.3	214.4

Residential Heating Oil Prices



U.S. Average All-Types Diesel Fuel Prices



Car Hire for RCAF

RCAF (Forecast)

	1980	June 3Q/09	Sept. 4Q/09	Dec. 1Q/10	Mar. 2Q/10	June 3Q/10
RATE						
RR-OWNED TIME	31.00	67.00	67.00	67.00	67.00	--
RR-OWNED MILEAGE	4.69	7.20	7.20	7.20	7.20	--
PRIVATELY-OWNED CARS	25.47	45.80	46.90	47.02	45.91	--
AUTORACKS	47.00	50.49	51.27	51.07	46.57	--
INDEX						
RR-OWNED TIME	100.0	216.1	216.1	216.1	216.1	--
RR-OWNED MILEAGE	100.0	153.5	153.5	153.5	153.5	--
PRIVATELY-OWNED CARS	100.0	179.8	184.1	184.6	180.3	--
AUTORACKS	100.0	107.4	109.1	108.7	99.1	--
CAR HIRE INDEX (old wts) 2007	100.0	183.3	--	--	--	--
CAR HIRE INDEX (new wts) 2008	100.0	182.8	185.9	186.2	183.1	--
CAR HIRE INDEX (LINKED)	100.0	182.4	185.5	185.8	182.7	--

Note: The Car Hire Index for third quarter using *old weights* and *linked* should match that quarter's filing. The third quarter *new weights* version is used in the fourth quarter linked index calculation to ensure that the transition from old weights to new weights does not impact the linked index.

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2009 (first day of month)						2010 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Equipment														
No. of Cars (cars with rates only)	9,269	9,276	9,275	9,314	9,246	9,239	10,230	10,462	10,444					
Superstructures (Vehicular Flats)														
Rate (in cents)	21.0	21.0	21.0	20.0	20.0	20.0	18.0	17.0	17.0					
Superstructures #3 - Auto Rack	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0					
All other #1 - Time	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2					
All other #2 - Mileage														
Private Equipment														
No. of Cars (cars with rates only)	49,413	49,130	48,952	48,776	48,533	48,399	48,201	48,078	48,007					
Superstructures (Vehicular Flats)	339,231	336,605	338,948	337,548	335,536	334,957	333,685	332,058	331,133					
Covered Hoppers	313,946	313,234	313,605	312,685	311,553	311,453	310,730	309,009	308,790					
Tank Cars	308,148	308,917	307,863	306,370	305,260	308,655	307,420	305,942	306,387					
Others														
Rate (in cents)	78.0	78.0	78.0	76.0	78.0	78.0	78.0	78.0	78.0					
Superstructures #1 - Time	0.8	0.8	0.8	0.8	0.8	0.8	1.2	1.2	1.2					
Superstructures #2 - Mileage	56.0	57.0	57.0	57.0	57.0	57.0	57.0	52.0	53.0					
Superstructures #3 - Auto Rack	44.2	44.3	44.3	44.4	44.4	44.5	44.6	42.7	42.8					
Covered Hoppers #2 - Mileage	76.6	76.7	80.3	80.4	80.5	80.6	80.8	79.3	78.4					
Tank Cars #2 - Mileage	61.0	61.0	61.0	60.0	61.0	61.0	62.0	62.0	62.0					
Others #1 - Time	6.6	6.6	6.6	6.6	6.7	6.7	6.9	6.9	6.9					
Others #2 - Mileage														
AVERAGE RATES														
Private Superstructures	19.13	19.13	19.13	18.66	19.13	19.13	19.53	19.53	19.53	0.00	0.00	0.00	0.00	0.00
Private Others	20.14	20.14	20.14	19.92	20.24	20.24	20.66	20.66	20.66	0.00	0.00	0.00	0.00	0.00
Private Total	45.70	45.74	46.90	46.89	46.94	47.02	47.28	46.17	45.91	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	50.47	51.28	51.27	51.07	51.08	51.07	50.17	45.74	46.57	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

WEIGHTS	"Old Wts" "New Wts"	
	2007	2008
For RCAF & RCR		
RR-owned Time	0.169	0.179
RR-owned Mileage	0.100	0.100
Privately-owned Cars	0.731	0.709
Autoracks	0.000	0.012
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2007	2008
Car Hire - U.S.	0.432	0.439
Lease Rentals - U.S.	0.568	0.561
----- Check sum	1.000	1.000

Note: The 4 bold lines are used for the Car Hire Rate Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates

file: Equip_Rents09wtsRCAF.xls

AAR Car Hire - Equipment Rents Data Page

3/12/2010

1PROGRAM: DPRB799
CURRENT DATE: MARCH

01, 2010

PRIVATE EQUIPMENT 1/

PAGE NO: 81

AVERAGE RATE FOR 03/10

CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	48,007	78 ¢/HR	.012 \$/MILE	53 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	6			
-COVERED HOPPERS	331,133	0 ¢/HR	.428 \$/MILE	
ONO. OF ZERO RATED COVERED HOPPERS 2/	10,599			
-TANKS	308,790	0 ¢/HR	.784 \$/MILE	
ONO. OF ZERO RATED TANKS 2/	9,279			
-ALL OTHER CARS	306,387	62 ¢/HR	.069 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	36,295			
TOTAL:	1,050,496			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

CAR TYPE D - LOCOMOTIVES
CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
CAR TYPE U - CONTAINERS
CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONK) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.

-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

Source: CHAR.DPRB799.REPORT.G0200V00

1 PROGRAM: DPRB799

CURRENT DATE: MARCH 01, 2010

RAILROAD EQUIPMENT 1/

PAGE NO:

37

AVERAGE RATE FOR 03/10

CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	10,444	147 ¢/HR	.089 \$/MILE	17 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	59			
-ALL OTHER CARS	608,475	67 ¢/HR	.072 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	40,476			
0	TOTAL:			
	659,454			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

CAR TYPE D - LOCOMOTIVES

CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE

CAR TYPE U - CONTAINERS

CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.

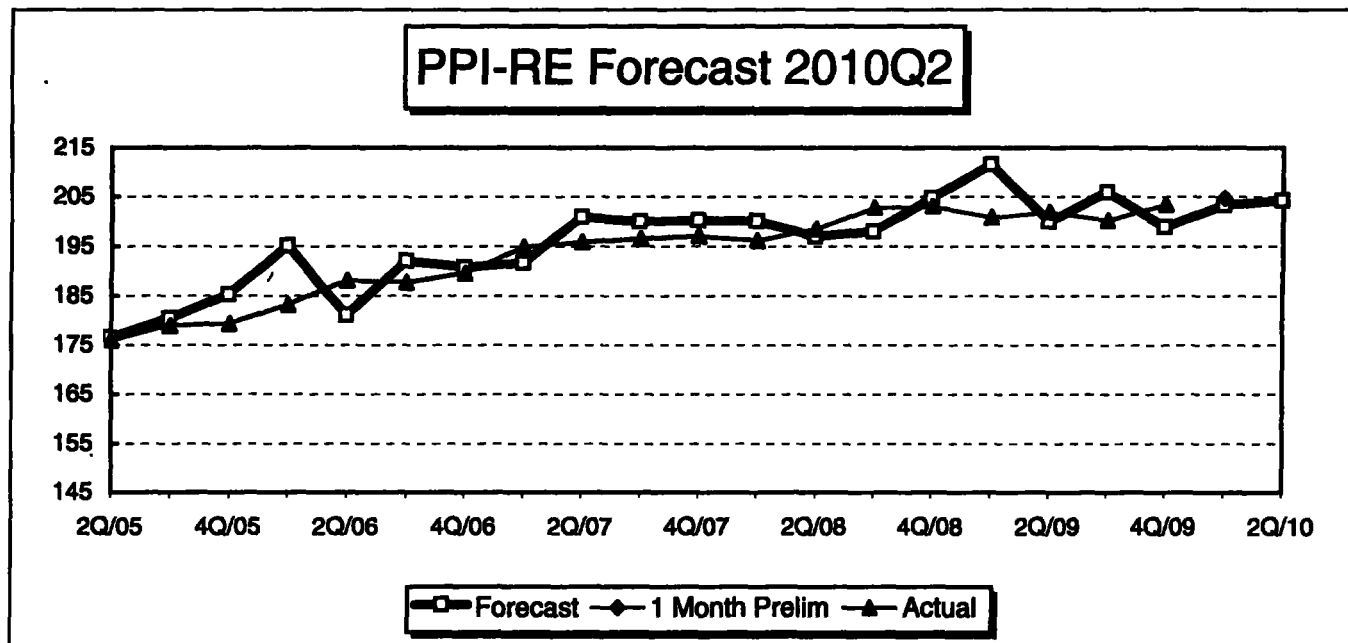
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PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
2Q/05	176.3	175.9	
3Q/05	180.3	178.9	
4Q/05	185.1	179.4	
1Q/06	195.0	183.1	
2Q/06	180.9	188.1	
3Q/06	191.9	187.7	
4Q/06	190.6	189.6	
1Q/07	191.6	194.8	
2Q/07	200.9	195.9	
3Q/07	199.9	196.5	
4Q/07	200.2	197.0	
1Q/08	200.1	196.1	
2Q/08	196.9	198.5	
3Q/08	197.9	202.8	
4Q/08	204.8	203.1	
1Q/09	211.6	200.9	
2Q/09	199.9	201.9	
3Q/09	206.0	200.2	
4Q/09	198.9	203.5	
1Q/10	203.3		204.6
2Q/10	204.3		

1980 Base

	PPI-RE Forecast		Yr Ago Actual	Percent Change		
	(82=100)	(80=100)		Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2010Q2						
Low	179.4	198.5	-1.7%			
Midpoint	184.7	204.3	1.2%	-0.1%	0.4%	0.5%
High	189.9	210.1	4.1%			



re_ppi.txt
Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2010Q2\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 140.100 Maximum 185.000
Mean 169.357 Standard deviation 13.168

Classical decomposition (multiplicative)

Trend-cycle: 97.50% Seasonal: 0.14% Irregular: 2.36%

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Box-Jenkins outperforms exponential smoothing by 2.077 to 2.264 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is nonstationary and seasonal.

Recommended model: Box-Jenkins

Forecast Model for PPIRE

ARIMA(0,1,0)*(1,0,0)

Term	Coefficient	Std. Error	t-Statistic	Significance
A[12]	0.5899	0.0913	6.4616	1.0000

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 169.4	Standard deviation 13.17
R-square 0.9896	Adjusted R-square 0.9896
Durbin-Watson 2.007	Ljung-Box(18)=19.3 P=0.6265
Forecast error 1.345	BIC 1.376
MAPE 0.005538	RMSE 1.336
MAD 0.9377	

Forecast Report

Thu Feb 18 10:30:40 2010

Box-Jenkins model for PPIRE

Analysis of Historic Fit Set

Date	Historic
2004-02	140.100
2004-03	142.200
2004-04	142.800
2004-05	143.500
2004-06	143.700
2004-07	143.200
2004-08	143.500
2004-09	144.200
2004-10	145.000
2004-11	147.000
2004-12	153.200
2005-01	153.400
2005-02	156.000
2005-03	161.600
2005-04	161.100
2005-05	161.300
2005-06	161.200
2005-07	161.500
2005-08	161.800
2005-09	161.800
2005-10	161.700
2005-11	161.900
2005-12	162.200
2006-01	164.200
2006-02	165.500
2006-03	168.200
2006-04	168.200
2006-05	169.600
2006-06	171.300
2006-07	170.600
2006-08	170.900
2006-09	170.400
2006-10	170.200
2006-11	170.300

2006-12	172.700
2007-01	173.900
2007-02	175.600
2007-03	176.100
2007-04	174.200
2007-05	175.600
2007-06	176.400
2007-07	177.400
2007-08	177.400
2007-09	177.900
2007-10	177.500
2007-11	177.700
2007-12	177.500
2008-01	178.400
2008-02	178.200
2008-03	177.600
2008-04	178.700
2008-05	178.000
2008-06	181.200
2008-07	180.800
2008-08	181.700
2008-09	182.900
2008-10	181.900
2008-11	181.600
2008-12	180.700
2009-01	181.600
2009-02	181.800
2009-03	181.600
2009-04	183.100
2009-05	180.000
2009-06	180.000
2009-07	179.900
2009-08	179.900
2009-09	183.800
2009-10	183.900
2009-11	183.700
2009-12	184.500
2010-01	185.000

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2010-02	182.482	185.118	187.754
2010-03	181.272	185.000	188.728
2010-04	181.319	185.885	190.451
2010-05	178.784	184.056	189.328
2010-06	178.162	184.056	189.950
2010-07	177.540	183.997	190.454
2010-08	177.023	183.997	190.971
2010-09	178.842	186.298	193.753
2010-10	178.449	186.357	194.265
2010-11	177.903	186.239	194.574
2010-12	177.968	186.711	195.453
2011-01	177.874	187.006	196.137



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From: 2009 To: 2010

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Data extracted on: February 18, 2010 (10:08:55 AM)

Producer Price Index-Commodities

Series ID: WPU144

Not Seasonally Adjusted

Group: Transportation equipment

Item: Railroad equipment

Base Date: 198200

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	181.6	181.8	181.6	183.1	180.0	180.0	179.9	179.9	183.8	183.9(P)	183.7(P)	184.5(P)	182.0(P)
2010	185.0(P)												

P : Preliminary. All indexes are subject to revision four months after original publication.

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U.S. Bureau of Labor Statistics 2 Massachusetts Avenue, NE Washington, DC 20212-0001

file:///C:/DOCUME~1/slm/LOCALS~1/Temp/SXZZ0MSV.htm

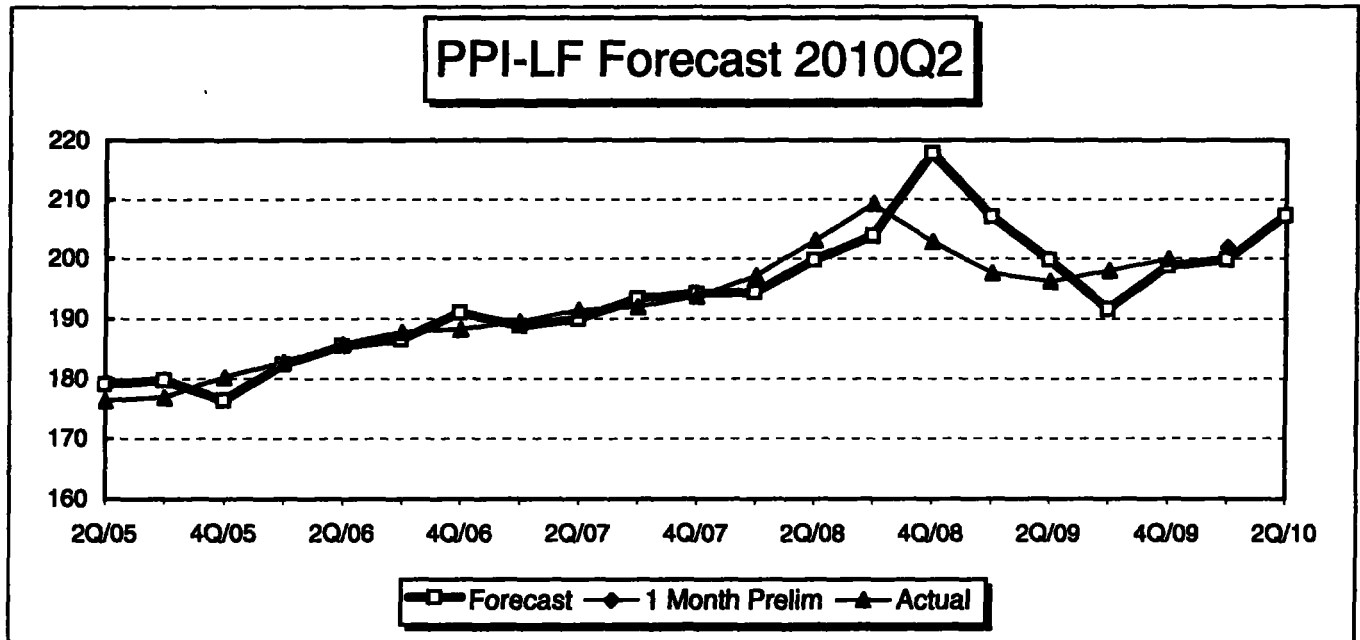
2/18/10

PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
2Q/05	178.9	176.3	
3Q/05	179.5	176.8	
4Q/05	176.2	180.2	
1Q/06	182.1	182.7	
2Q/06	185.3	185.7	
3Q/06	186.3	187.7	
4Q/06	190.9	188.2	
1Q/07	188.6	189.5	
2Q/07	189.8	191.4	
3Q/07	193.2	191.9	
4Q/07	194.1	193.7	
1Q/08	194.3	197.1	
2Q/08	199.7	203.1	
3Q/08	203.8	209.2	
4Q/08	217.8	202.8	
1Q/09	207.0	197.6	
2Q/09	199.7	196.1	
3Q/09	191.5	198.0	
4Q/09	198.7	199.9	
1Q/10	199.8		201.9
2Q/10	207.3		

1980 Base

	PPI-LF Forecast		Yr Ago Actual	Percent Change		
	(82=100)	(80=100)		Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2010Q2						
Low	177.0	198.4	1.2%			
Midpoint	184.9	207.3	5.7%	2.7%	3.7%	3.8%
High	192.8	216.1	10.2%			



Database I:\Indexes2\RCAF\2010Q2\70ther\FPlf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 148.200 Maximum 186.600
Mean 167.835 Standard deviation 10.312

Classical decomposition (multiplicative)
Trend-cycle: 97.03% Seasonal: 0.37% Irregular: 2.60%

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Box-Jenkins outperforms exponential smoothing by 1.758 to 3.092 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and seasonal.

Recommended model: Box-Jenkins
Forecast Model for PPILF
ARIMA(0,2,0)

Within-Sample Statistics

Sample size 72	Number of parameters 0
Mean 167.8	Standard deviation 10.31
R-square 0.9951	Adjusted R-square 0.9952
Durbin-Watson 2.01	Ljung-Box(18)=15.73 P=0.3886
Forecast error 0.716	BIC 0.716
MAPE 0.003011	RMSE 0.716
MAD 0.5153	

Forecast Report
Thu Feb 18 11:01:05 2010
Box-Jenkins model for PPILF
Analysis of Historic Fit Set

Date	Historic
2004-02	148.200
2004-03	149.100
2004-04	150.000
2004-05	150.500
2004-06	150.900
2004-07	151.500
2004-08	152.600
2004-09	153.300
2004-10	154.600
2004-11	155.000
2004-12	155.400
2005-01	156.400
2005-02	156.900
2005-03	157.400
2005-04	157.600
2005-05	157.400
2005-06	157.000
2005-07	157.300
2005-08	157.500
2005-09	158.700
2005-10	160.500
2005-11	161.000
2005-12	161.300
2006-01	162.500
2006-02	163.200
2006-03	163.800
2006-04	164.800
2006-05	166.400
2006-06	166.800
2006-07	167.100
2006-08	167.500
2006-09	167.600
2006-10	167.700
2006-11	167.800
2006-12	167.900
2007-01	168.200
2007-02	168.600
2007-03	169.400

2007-04	170.300
2007-05	170.800
2007-06	171.000
2007-07	171.400
2007-08	171.100
2007-09	171.200
2007-10	172.200
2007-11	173.100
2007-12	173.100
2008-01	174.700
2008-02	175.900
2008-03	177.400
2008-04	179.800
2008-05	181.800
2008-06	183.200
2008-07	185.900
2008-08	186.600
2008-09	186.200
2008-10	183.700
2008-11	179.900
2008-12	177.400
2009-01	176.900
2009-02	176.100
2009-03	175.600
2009-04	175.000
2009-05	174.900
2009-06	175.200
2009-07	175.500
2009-08	176.600
2009-09	177.200
2009-10	177.800
2009-11	178.200
2009-12	178.900
2010-01	180.100

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2010-02	179.877	181.300	182.723
2010-03	179.318	182.500	185.682
2010-04	178.375	183.700	189.025
2010-05	177.105	184.900	192.695
2010-06	175.545	186.100	196.655
2010-07	173.723	187.300	200.877
2010-08	171.660	188.500	205.340
2010-09	169.372	189.700	210.028
2010-10	166.873	190.900	214.927
2010-11	164.175	192.100	220.026
2010-12	161.286	193.300	225.315
2011-01	158.215	194.500	230.785


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Producer Price Index-Commodities

Series Id: WPU03T15M05

Not Seasonally Adjusted

Group: Industrial Commodities less fuels

Item: Industrial commodities less fuels

Base Date: 198200

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	176.9	176.1	175.6	175.0	174.9	175.2	175.5	176.6	177.2	177.8(P)	178.2(P)	178.9(P)	176.5(P)
2010	180.1(P)												

P : Preliminary. All indexes are subject to revision four months after original publication.

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Forecast Error Calculation

	Fourth Quarter 2009		Diff
	2008	2009Q4	
Labor	Weight	Forecast	Actual
Fuel	30.2%	344.8	344.8
M&S	25.2%	234.4	244.0
Equip Rents	5.1%	238.8	238.8
Depreciation	6.3%	197.9	198.8
Interest	10.4%	198.9	203.5
Other	2.3%	83.9	83.9
	20.5%	198.7	199.9
Weighted Avg	100.0%		
1980 = 100		251.2	254.4
1980 = 100 (linked)		245.5	249.4
4Q07 = 100	2.459	99.8	101.4
4Q02 = 100	1.921	127.8	129.8
4Q97 = 100	1.732	141.7	144.0
4Q92 = 100	1.569	156.5	159.0

* actual=forecast
from 1st month of quarter

* actual=forecast
from Equipment Rents below

PPI-RE 183.90 183.70 184.50 0.9040

* actual=forecast

PPI-LF 177.80 178.20 178.90 0.8920

calculated

calculated

calculated

calculated

calculated

Forecast Error → 1.6

<u>Prior Quarter</u>	
1980 = 100	248.7 ***
1980 = 100 (linked)	243.8 ✓
4Q07 = 100	99.1 ✓
4Q02 = 100	126.9
4Q97 = 100	140.8
4Q92 = 100	155.4

Re-calculated using new weights

calculated

calculated

calculated

calculated

Equipment Rents

Car Hire	185.5	185.5
Lease Rentals	198.7	199.9
Weighted Average	192.9	193.6
Linked	197.9	198.8

from UMLER equipment rents

calculated (equals PPI-LF from above)

calculated

calculated

<u>Prior Quarter</u>		
Weighted Average	187.5	191.1 ***
Linked	192.4	196.2 ✓
		Re-calculated using new weights

Re-calculated using new weights

Sum of Weights ok

Sum of ER Wt. ok

*** if fourth quarter, weighted avg for prior needs to use new weights, linked is ok

All-Inclusive Index (Actual)

	08 Wts	3Q/09 07 Wts	3Q/09 08 Wts	% Chg.	4Q/09 08 Wts	1Q/10 08 Wts	% Chg.	2Q/10 08 Wts	% Chg.	3Q/10 08 Wts	% Chg.
Labor	30.2%	347.2	347.2	0.0%	344.8		-0.7%	NA	NA	NA	NA
Fuel	25.2%	218.3	218.3	0.0%	244.0		11.8%	NA	NA	NA	NA
M&S	5.1%	255.9	255.9	0.0%	238.8		-6.7%	NA	NA	NA	NA
Equipment Rents	6.3%	196.2	196.2	0.0%	198.8	0.0	1.3%	#DIV/0!	NA	#DIV/0!	NA
Depreciation	10.4%	200.2	200.2	0.0%	203.5		1.6%	NA	NA	NA	NA
Interest	2.3%	88.0	88.0	0.0%	83.9	83.9	-4.7%	83.9	0.0%	83.9	0.0%
Other	20.5%	198.0	198.0	0.0%	199.9		1.0%	NA	NA	NA	NA
	1.0000										
Weighted Avg.											
Linked		251.1	248.7	-1.0%	254.4	1.9	2.3%	#DIV/0!	NA	#DIV/0!	NA
10/1/80		243.8			249.4	1.9	2.3%	#DIV/0!	NA	#DIV/0!	NA
10/1/82		237.4			242.8	1.9	2.3%	#DIV/0!	NA	#DIV/0!	NA
4Q/87		201.7			206.3	1.6	2.3%	#DIV/0!	NA	#DIV/0!	NA
4Q/92		184.4			188.7	1.4	2.3%	#DIV/0!	NA	#DIV/0!	NA
4Q/97		155.4			159.0	1.2	2.3%	#DIV/0!	NA	#DIV/0!	NA
4Q/02		140.8			144.0	1.1	2.3%	#DIV/0!	NA	#DIV/0!	NA
4Q/07		126.9			129.8	1.0	2.3%	#DIV/0!	NA	#DIV/0!	NA
		99.1			101.4	0.8	2.3%	#DIV/0!	NA	#DIV/0!	NA
Equipment Rents											
Car Hire	43.9%	182.2	182.2	0.0%	185.5		1.8%	NA	NA	NA	NA
Lease Rentals	56.1%	198.0	198.0	0.0%	199.9	0.0	1.0%	0.0	NA	0.0	NA
	1.0000										
ER Weighted Avg		191.2	191.1	-0.1%	193.6	0.0	1.3%	0.0	NA	0.0	NA
ER Linked		196.2			198.8	0.0	1.3%	#DIV/0!	NA	#DIV/0!	NA

Impact/Check of weight change			
Labor	07 Wts	08 Wts	
Fuel	113.882	104.854	
Material & Supplies	44.315	55.012	
Equipment Rents	12.795	13.051	
Depreciation	14.126	12.361	
Interest	22.022	20.821	
Other	2.376	2.024	
Other	41.580	40.590	
Weighted Avg.	251.096	248.712	
ER Weighted Avg.	191.1744	191.0638	

RCAF Fuel (Actual All-Inclusive Index)

October 2009

Average Price for Monthly Report

	October 2009 Price (1)	1/1/81 Price (2)	1/91 New Method Linking Factors (3)	October 2009 Index 1/1/81=100 (4)
	$(4) = (1) / (2) \times (3)$			
U.S.	199.67	89.34	99.415	222.19
East	199.92	91.56	99.435	217.11
West	199.57	87.83	99.416	225.90

Fuel Index on 1977 Base and 1980 Base

	October 2009 Index 1/1/81=100 (1)	Linking Factors 1977=100 (2)	October 2009 Index 1980=100 (3)	October 2009 Index 1977=100 (4)	October 2009 Index 1980=100 (5)
	$(4) = (1) \times (2)$ $(5) = (1) \times (3)$				
U.S.	222.19	2.606	1.096	579.02	243.52
East	217.11	2.569	1.134	557.77	246.21
West	225.90	2.639	1.067	596.14	241.03

Final Actual All-inclusive Index

	1980=100 October 2009 Current Index	Adjustment Factor	October 2009 Linked Index
U.S.	243.52	1.00192	243.98 ←
East	246.21	1.00621	247.74
West	241.03	1.00024	241.09

January	= Q1
April	= Q2
July	= Q3
October	= Q4

Car Hire for RCAF

RCAF (Actual)

		1980	Aug 3Q/09	Nov 4Q/09	Feb 1Q/10	May 2Q/10	Aug 3Q/10
RATE							
RR-OWNED TIME		31.00	67.00	67.00	--	--	--
RR-OWNED MILEAGE		4.69	7.20	7.20	--	--	--
PRIVATELY-OWNED CARS		25.47	45.74	46.94	--	--	--
AUTORACKS		47.00	51.28	51.08	--	--	--
INDEX							
RR-OWNED TIME		100.0	216.1	216.1	--	--	--
RR-OWNED MILEAGE		100.0	153.5	153.5	--	--	--
PRIVATELY-OWNED CARS		100.0	179.6	184.3	--	--	--
AUTORACKS		100.0	109.1	108.7	--	--	--
CAR HIRE INDEX (old wts)	2007	100.0	183.2	--	--	--	--
CAR HIRE INDEX (new wts)	2008	100.0	182.7	186.0	--	--	--
CAR HIRE INDEX (LINKED)		100.0	182.2	185.5	--	--	--

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2009 (first day of month)						2010 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug

Railroad Equipment

No. of Cars (cars with rates only)
 Superstructures (Vehicular Flats)
 Rate (in cents)
 Superstructures #3 - Auto Rack
 All other #1 - Time
 All other #2 - Mileage

Private Equipment

No. of Cars (cars with rates only)
 Superstructures (Vehicular Flats)
 Covered Hoppers
 Tank Cars
 Others
 Rate (in cents)
 Superstructures #1 - Time
 Superstructures #2 - Mileage
 Superstructures #3 - Auto Rack
 Covered Hoppers #2 - Mileage
 Tank Cars #2 - Mileage
 Others #1 - Time
 Others #2 - Mileage

AVERAGE RATES

Private Superstructures
 Private Others
 Private Total
 Autoracks

WEIGHTS	"Old Wts" "New Wts"	
	2007	2008
For RCAF & RCR		
RR-owned Time	0.169	0.179
RR-owned Mileage	0.100	0.100
Privately-owned Cars	0.731	0.709
Autoracks	0.000	0.012
Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)

	2007	2008
Car Hire - U.S.	0.432	0.439
Lease Rentals - U.S.	0.568	0.561
Check sum	1.000	1.000

Note: The 4 bold lines are used for the Car Hire Rate Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates

file: Equip_Rents09wtsRCAF.xls

AAR Car Hire - Equipment Rents Data Page

1PROGRAM: .8799
CURRENT DATE: NOVEMBER 02, 2009

PAGE NO: 38

CHAR1 EXT
RAILROAD EQUIPME. 1/
AVERAGE RATE FOR 11/09
CAR RENTAL RATES
TIME MILEAGE AUTO RACK
134 \$/HR .079 \$/MILE 20 \$/HR
67 \$/HR .072 \$/MILE
CAR COUNT
9,246
161
622,495
35,230
TOTAL: 667,132

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

CAR TYPE D - LOCOMOTIVES
CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
CAR TYPE U - CONTAINERS
CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.
-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

1PROGRAM: DPR8799
CURRENT DATE: NOVEMBER 02, 2009

PAGE NO: 82

CHAR1 EXT
PRIVATE EQUIPMENT 1/
AVERAGE RATE FOR 11/09
CAR RENTAL RATES
TIME MILEAGE AUTO RACK
78 \$/HR .008 \$/MILE 57 \$/HR
0 \$/HR .444 \$/MILE
2 \$/HR .805 \$/MILE
61 \$/HR .067 \$/MILE
CAR COUNT
48,533
335,536
9,855
311,553
9,119
309,260
35,648
TOTAL: 1,059,544

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

CAR TYPE D - LOCOMOTIVES
CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
CAR TYPE U - CONTAINERS
CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.
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RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

		Forecast Year 2010			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	10Q1	10Q2	10Q3	10Q4
For Actual	→	09Q3	09Q4	10Q1	10Q2
January	2009	181.6	181.6	181.6	181.6
February	2009	181.8	181.8	181.8	181.8
March	2009	181.6	181.6	181.6	181.6
April	2009	183.1	183.1	183.1	183.1
May	2009	180.0	180.0	180.0	180.0
June	2009	180.0	180.0	180.0	180.0
July	2009	179.6	179.9	179.9	179.9
August	2009	179.6	179.9	179.9	179.9
September	2009	183.9	183.8	183.8	183.8
October	2009	183.9	183.9		
November	2009		183.7		
December	2009		184.5		
January	2010		185.0		
February	2010				
March	2010				
April	2010				
May	2010				
June	2010				
July	2010				
Actual Qtr.		181.0	184.0	NA	NA

1980=100

Actual Qtr.	200.2	203.5	NA	NA
First Mo. next qtr.	203.4	204.6	NA	NA

0.904 =1980

for Depreciation



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Producer Price Index-Commodities

Series Id: WPU144

Not Seasonally Adjusted

Group: Transportation equipment

Item: Railroad equipment

Base Date: 198200

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	181.6	181.8	181.6	183.1	180.0	180.0	179.9	179.9	183.8	183.9(P)	183.7(P)	184.5(P)	182.0(P)
2010	185.0(P)												

P : Preliminary. All indexes are subject to revision four months after original publication.

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RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

		Forecast Year 2010			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	10Q1	10Q2	10Q3	10Q4
For Actual	→	08Q3	08Q4	09Q1	09Q2
January	2009	176.9	176.9	176.9	176.9
February	2009	176.1	176.1	176.1	176.1
March	2009	175.6	175.6	175.6	175.6
April	2009	175.0	175.0	175.0	175.0
May	2009	174.9	174.9	174.9	174.9
June	2009	175.2	175.2	175.2	175.2
July	2009	175.6	175.5	175.5	175.5
August	2009	176.5	176.6	176.6	176.6
September	2009	177.7	177.2	177.2	177.2
October	2009	177.8	177.8		
November	2009		178.2		
December	2009		178.9		
January	2010		180.1		
February	2010				
March	2010				
April	2010				
May	2010				
June	2010				
July	2010				
Actual Qtr.		176.6	178.3	NA	NA

1980=100

Actual Qtr.	198.0	199.9	NA	NA
First Mo. next qtr.	199.3	201.9	NA	NA

0.892 =1980

For "Other"



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Data extracted on: February 18, 2010 (10:19:26 AM)

Producer Price Index-Commodities

Series Id: WPU03T15M05

Not Seasonally Adjusted

Group: Industrial Commodities less fuels

Item: Industrial commodities less fuels

Base Date: 198200

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	176.9	176.1	175.6	175.0	174.9	175.2	175.5	176.6	177.2	177.8(P)	178.2(P)	178.9(P)	176.5(P)
2010	180.1(P)												

P : Preliminary. All indexes are subject to revision four months after original publication.

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- i) Effective April 1, 2005, the rate of pay for Engineers will be \$29.08 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - ii) Effective April 1, 2006, the rate of pay for Engineers will be \$30.15 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - iii) Effective April 1, 2007, the rate of pay for Engineers will be \$31.23 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - iv) Effective April 1, 2008, the rate of pay for Engineers will be \$32.31 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - v) Effective April 1, 2009, the rate of pay for Engineers will be \$33.38 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - vi) Effective April 1, 2010, the rate of pay for Engineers will be \$34.46 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
- B. Ten (10) hours or less will constitute a basic day and pay for all service performed after ten (10) hours will be at the rate of time and one half.
- C. Engineers who perform service on their assigned rest days shall be paid for such service at the rate of time and one half, subject to the provisions of Article 11 (A) of this Agreement.

$$34.46 \div 33.38 = 3.23547$$

ARTICLE 6 - EMPLOYMENT SECURITY

- A. Engineers who have established seniority prior to ratification and who are in active service as an Engineer on the effective date of this Agreement, will be provided an assignment (which may be a Regular Assignment or a Guaranteed Extra Board assignment) established pursuant to Article 8 Section 1 of this Agreement, and not be subject to furlough, provided that they have exercised their seniority to the fullest extent and they remain available for service.
- B. In the case of Engineers who establish seniority subsequent to the effective date of this Agreement, when no vacancies exist on the Division, the Company will endeavor to provide the individual with details of any other openings that may exist on other U.S. Divisions. These opportunities may be in other occupations and may require the Engineer to transfer at his own expense and commence a new employment relationship with the new Division.
- C. All Engineers who qualify as an Engineer subsequent to the date of this Agreement will be afforded the Employment Security provided in Paragraph A of this Article upon their completion of sixty (60) months of cumulative compensated service as a Locomotive Engineer under this Agreement. Cumulative compensated service is defined as all time the employee is assigned to an Engineer position.

new - received 2/18/10

Memorandum of Agreement
between the
Brotherhood of Locomotive Engineers and Trainmen
and the
BNSF Railway Company

THIS AGREEMENT, made this 3rd day of November, 2009 by and between the Brotherhood of Locomotive Engineers and Trainmen (BLET) and the BNSF Railway Company (BNSF), modifies existing agreements between BLET and BNSF, including existing agreements from the former component roads, only to the extent described herein.
It is hereby agreed:

Article 1 - Wages

Section 1 - First General Wage Increase

- a) Effective January 1, 2010, all standard basic daily rates of pay for employees represented by the Brotherhood of Locomotive Engineers and Trainmen ("BLET") in effect on December 31, 2009, shall be increased by one (1) percent.
- b) In computing the increase under paragraph (a) above, one (1) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

Passenger	600,000 and less than 650,000 pounds
Freight	950,000 and less than 1,000,000 pounds (through freight rates)
Yard Engineers	Less than 500,000 pounds
Yard Firemen	Less than 500,000 pounds (separate computation covering five-day rates and other than five-day rates)

Section 2 - Second General Wage Increase

Effective January 1, 2011, all standard basic daily rates of pay in effect on December 31, 2010 for employees represented by the BLET shall be increased by two (2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 3 - Third General Wage Increase

Effective January 1, 2012, all standard basic daily rates of pay in effect on December 31, 2011 for employees represented by the BLET shall be increased by two-and-one-half (2 1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 4 - Fourth General Wage Increase

Effective January 1, 2013, all standard basic daily rates of pay in effect on December 31, 2012 for employees represented by the BLET shall be increased by two-and-one-half (2 1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

MEMORANDUM OF AGREEMENT

Between

CSX TRANSPORTATION, INC.

And its employees represented by the

**BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN
(EASTERN LINES - WESTERN LINES - NORTHERN LINES)**

It is hereby agreed that CSXT Labor Agreement No. 1-023-07 is modified only to the extent described herein:

I - RATES OF PAY

- A. Effective January 1, 2010, all standard rates of pay for Engineers subject to Agreements between CSXT and the Brotherhood of Locomotive Engineers and Trainmen (BLET) in effect on December 31, 2009, including extra board guarantees, shall increase by five percent (5%).
- B. In computing the increase under Paragraph A. above, the 5% shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic rate of pay. The adjustments provided for in this Article will apply to mileage rates of pay for overmiles, and will not apply to duplicate time payments, including arbitrations and special allowances that are expressed in time, miles, or fixed amounts of money, except as otherwise provided.
- Passenger 950,001 and less than 1,000,000 pounds
 - Freight 950,001 and less than 1,000,000 pounds (through freight rates)
 - Yard Engineers Less than 500,000 pounds
 - Yard Firemen Less than 500,000 pounds (separate computation covering five-day rates and other than five-day rates)
- C. Additional General Wage Increases will be effective on the following dates for Engineers subject to Agreements between CSXT and the Brotherhood of Locomotive Engineers and Trainmen (BLET) and will be computed and applied in the same manner prescribed in paragraph A. and B. above:
- a) January 1, 2011 - two and one half percent (2 ½ %)
 - b) January 1, 2012 - two and one half percent (2 ½ %)
 - c) January 1, 2013 - three percent (3%)
 - d) January 1, 2014 - three percent (3%)
- D. Rates of pay will be posted by the Carrier electronically for access by the employees.

A-1: Yes.

ARTICLE 5 - PERFECT ATTENDANCE STOCK AWARD

A. Effective with the date of this Agreement, all eligible CSXT Engineers will be entitled to an award of twenty (20) shares of CSX Corporation Common Stock for every six (6) months of perfect weekend attendance. The sixth month periods begin January 1 and July 1 each year.

B. Perfect weekend attendance is defined as one hundred percent (100%) availability on Friday, Saturday and Sunday during a consecutive six (6) month period. Rest days are considered as being available for service. Any other non-compensated mark offs will be considered as unavailable. Recipients of this award will have such shares placed in their 401(k) account. Those awardees who do not have a 401(k) account will receive the cash equivalent of said stock based on the closing price of CSX stock on the last day of the semi-annual period.

ARTICLE 6 - PERFORMANCE BONUS PROGRAM

A. The parties agree that Engineers represented by the Brotherhood of Locomotive Engineers and Trainmen (BLET) will be eligible for a bonus payment under the Performance Bonus Program (PBP) established in this Agreement for the periods and on the basis set forth below:

1. Effective January 1, 2007 and payable in 2008, locomotive Engineers will be eligible for a bonus up to a maximum of six percent (6%) of their locomotive Engineer earnings in 2007, calculated in accordance with paragraph B below.

2. Effective January 1, 2008 and payable in 2009, locomotive Engineers will be eligible for a bonus up to a maximum of eight percent (8%) of their locomotive Engineer earnings in 2008, calculated in accordance with paragraph B below.

3. Effective January 1, 2009 and payable in 2010, locomotive Engineers will be eligible for a bonus up to a maximum of ten percent (10%) of their locomotive Engineer earnings in 2009, calculated in accordance with paragraph B below.

4. If the BLET does not exercise its right to cancel participation in the Bonus Program under paragraph F below, all locomotive Engineers will be eligible, effective January 1, 2010 and annually thereafter, for a bonus of twelve percent (12%) in 2010 and increasing to fifteen percent (15%) at the end of the next contract of their locomotive Engineer earnings in that year, payable in the following year, calculated in accordance with paragraph B below, except that locomotive Engineers who achieve a BLET seniority date on or after January 1, 2010 will be eligible in 2010 for this bonus up to a maximum of ten percent (10%) of their locomotive Engineer earnings in 2010, calculated in accordance with paragraph B below, with a one percent (1%) increase in that level each subsequent year until they reach a maximum level negotiated for locomotive Engineers. Locomotive Engineers who achieve a BLET seniority date by

AGREEMENT

This agreement is hereby made between the Carriers listed on the signature page below (for convenience referred to hereafter as NSR) and the Brotherhood of Locomotive Engineers and Trainmen (for convenience referred to hereafter as BLET) this 1st day of September 2008.

ARTICLE I - THOROUGHBRED PERFORMANCE BONUS

Section 1

Effective January 1, 2009 and payable in 2010 and each year thereafter, locomotive engineers represented by the undersigned General Committees who work 235 or more starts in through freight service or 220 or more starts in other than through freight service in the year for which the bonus will be calculated will be eligible for a bonus up to ten percent (10%) of their engineer earnings in the preceding calendar year.

Section 2

Effective with the bonus payable in 2010 and each year thereafter, locomotive engineers who work 260 or more starts in through freight service or 248 starts in other than through freight service in the year for which the bonus will be calculated will be eligible for an additional five percent (5%) bonus opportunity.

Section 3

The terms and conditions for the administration of the Thoroughbred Performance Bonus remain as specified in Article I, Sections 3 and 4 of the June 1996 Agreement between the parties, subject to the maximums stated in Sections 1 and 2 above.

Section 4

BLET shall have the unilateral right to accept wage increases as provided in Side Letter No. 1 in lieu of the bonus provided for by Section 1 and 2 of this Article I effective on and after January 1, 2015 by providing written notice to the Carrier of its intention to do so between November 1, 2014 and November 30, 2014.

ARTICLE II - SIGNING BONUS

- (a) Not later than three months after the date of this Agreement each employee covered by this agreement who qualifies under subsection (b) shall be paid a signing bonus of \$1,200.00. Such signing bonus shall be paid in a separate payment and shall be subject to withholdings for applicable Federal, State, and Local Taxes.
- (b) To qualify for the signing bonus an employee must:
 - (1) have an employment relationship with the Carrier as of July 1, 2008 or have retired or died subsequent to the date of this Agreement; and
 - (2) (i) have compensation for active service performed during the period May 1, 2008 through June 30, 2008, or